JUST THE FACTS: CATHOLIC EDUCATION IN THE U.S. - PAGE 21

School Reform News

©2001 The Heartland Institute | The Monthly Newspaper for School Reformers | Vol. 5 No. 6 ~ June 2001

If the Children Aren't Learning...

Siegfried Engelmann believes teachers aren't teaching. Page 16.

NYC Study Hails Catholic Schools

At the National Catholic Education Conference in Milwaukee, Wisconsin in April, Michael J. Guerra, executive director of NCEA's Department of Secondary Schools, welcomes conference participants to an awards ceremony honoring organizations and individuals who pioneered the parental choice movement in Milwaukee. *photo/George Clowes-School Reform News*

A voucher program would create "enormous" benefits, says public school advocate

BY GEORGE A. CLOWES

Despite attending schools that have significantly lower per-pupil funding levels, relatively fewer administrators, and higher student-teacher ratios, students in Catholic schools in New York City already outperform their public school peers by fourth grade, and they significantly widen that performance gap by eighth grade, according to a new study of New York City schools.

In Catholic schools in inner-city neighborhoods, where students are almost entirely non-white and poor, the percentage of eighth-grade students passing state tests is about twice that of neighborhood public schools.

"There can be no doubt that some public school students who are now trapped in failing public schools would benefit from a publicly subsidized transfer to the local Catholic school," concludes the study's author, public school advocate Raymond Domanico.

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NAEP Reading Scores Tell a Grim Tale

Nothing to show for $125b Title I spending spree

BY ROBERT HOLLAND

The National Assessment of Educational Progress (NAEP) is sometimes called the Nation's Report Card.

If a child brought home a report card like the NAEP's latest for fourth-grade reading, a conscientious parent would demand to know what was going on and would insist on a remedy.

According to NAEP year 2000 data, almost four of every 10 American fourth-graders (37 percent) scored "below basic," meaning they were unable to read after completing their K-3 instruction.

For the past eight years, average reading scores have not budged off dreadful. Poor and minority children have fallen even further behind, despite billions in Title I spending to push them forward.

"After spending $125 billion of Title I money over 25 years," said Secretary of Education Roderick R. Paige, "we have virtually nothing to show for it."

Reading Gaps Galore

As alarming as the 37 percent "below basic" figure is, the numbers plunge into a catastrophic zone when they are broken down into subgroups. A horrendous 63 percent of black fourth-graders

NAEP continued on page 4

Soaring Spending Fails to Lift Achievement

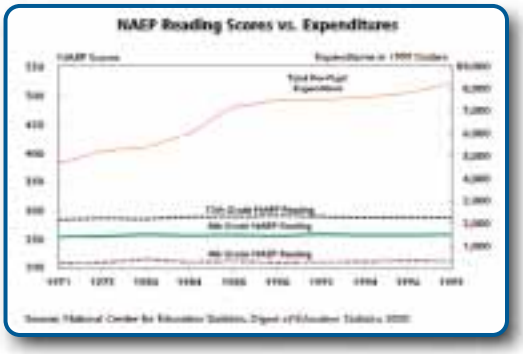
After 30 years, time for a different approach?

BY GEORGE A. CLOWES

After unprecedented increases in federal spending on K-12 education during the Clinton administration, does U.S. public education need still more money?

Teacher union leaders insist it does. "Conservative" President George W. Bush is calling for record increases in education spending . . . but that's not enough for Senate Democrats, who want another $6 billion just for fiscal 2002.

Two new studies, from The Heritage Foundation and American Legislative Exchange Council, question the wisdom of opening the spending spigot for public education. While the virtual Niagara of increased tax dollars has benefited public education employees, it hasn't helped students.



Heritage Foundation Analysis

Since President Lyndon Johnson declared war on ignorance and poverty more than 30 years ago, the liberal application of tax dollars has been an off-the-shelf prescription to alleviate the various woes of the public education system. Total per-pupil expenditures nearly doubled in real terms between 1971 and 1999.

Over the past decade alone, Congress

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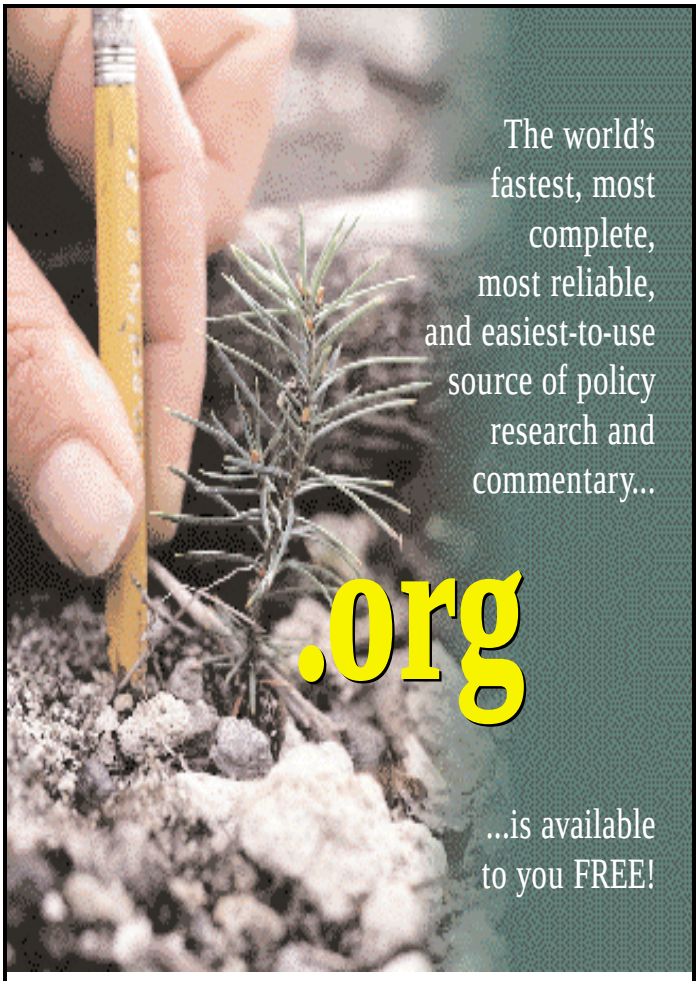
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School Reform News

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SCHOOL REFORM NEWS (ISSN 1092-8839) is published 12 times per year by The Heartland Institute. Subscriptions are free to U.S residents and $24 per year for foreign residents. Order online at www.heartland.org. Heartland is a nonprofit and nonpartisan public policy research organization serving the nation's federal and state elected officials, journalists, Heartland Members, and other opinion leaders. Its activities are tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

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Do as DoEd Says, Not as DoEd Does

Will Dept. of Education be held accountable for spending, too?

BY LARRY PARKER

In his ambitious education reform package, President George W. Bush has proposed holding schools more accountable for the way they spend federal tax dollars, including a reduction in funding for those that don't meet performance standards.

The Bush plan would increase spending at and through the U.S. Department of Education, which in turn would send more money to schools that succeed, and less to some that fail.

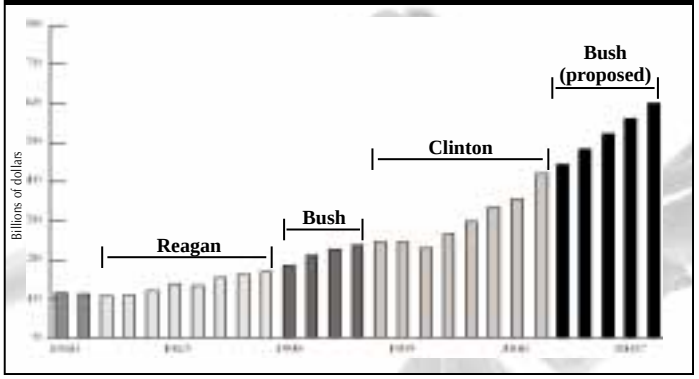
The approach raises some interesting questions: Will the department itself be held to meaningful standards of accountability for the way it spends its allocation of federal tax dollars? How will the department's performance be measured, and what will be the rewards for doing a good job and the penalties for doing a bad job?

The questions are far from academic, as was made clear when Department of Education officials recently admitted to Congress that approximately $450 million in education spending, sought in audits over the last three fiscal years, is in fact "missing." Congress has conducted hearings on the department's casual approach to bookkeeping for several years.

As Congressman Pete Hoekstra (R-Michigan) confided to an Alexis de Tocqueville Institution researcher last year after one of the audit hearings, "they just tell us they can't find the money and give us a smug smile—because there doesn't seem to be any way to discipline the department when it doesn't perform, no matter how brazenly."

The Bush proposal doesn't seem any more inclined to discipline the department. An estimate from the President's Office of Management and Budget, provided to Teacher Choice, a research program of the Alexis de Tocqueville Institution, shows the department adding "approximately 750" new staff members over the next three years, an expansion of more than 20 percent.

U.S Education Spending Soars
But Democrats and GOP's Jeffords Say: It's Still Not Enough



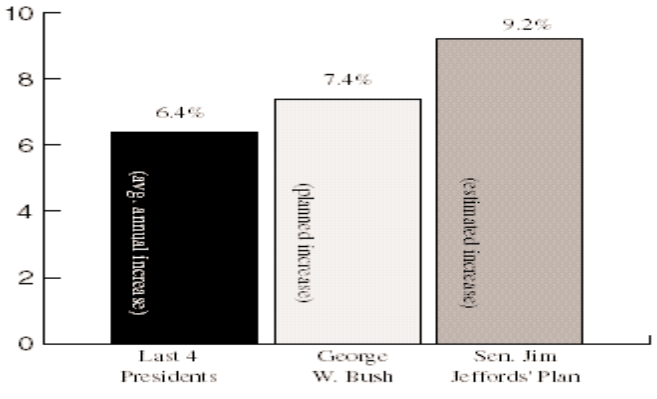
The President's budget proposal calls for the Department of Education's budget to nearly double from 2000 through 2006, and virtually triple in a decade, from $23 billion in 1996 to $60.1 billion in 2006 if Bush is reelected. Not only would Bush give the department a huge increase in absolute dollar terms, but he would increase the department's budget by a higher percentage per year than the combined average of Presidents Jimmy Carter, Ronald Reagan, George Bush, and Bill Clinton.

" . . . Department of Education officials recently admitted to Congress that approximately $450 million in education spending . . . is in fact 'missing.'"

Congress dealt the President's spending plan a blow in early April, but not because the plan was too extravagant. Many members faulted the plan for not increasing the department's budget enough, saying education spending rises only about 6 percent in the current year's budget. Senate Democrats complaining about the President's plan were joined by a key Republican, Senate Health, Education, Labor and Pensions Committee Chairman Jim Jeffords of Vermont.

Jeffords, cooperating with his committee's ranking member, Massachusetts Democrat Edward Kennedy, wants far more for education than the President has proposed. For example, where the President's plan asked for an 8 percent increase in federal funds for K-12 education, Jeffords' committee reported a bill that would increase federal education funding by 52 percent, to a record $27.7 billion.

U.S. Department of Education Spending Increase Per Year



Teachers' Perspective

One question that hasn't been raised during this jockeying to spend more money on education is whether classroom teachers—those who produce the education—want more federal money. New money is likely to come with rules and regulations to combat the waste and lack of accountability uncovered in U.S. Department of Education audits. It's not clear teachers would welcome money wrapped in red tape.

A 1997 poll, for example, found that more than half of Washington, DC teachers cited the high cost and complexity of school administration as the main cause of public education woes in the nation's capital. A 1999 poll of 30 award-winning teachers attending de Tocqueville's National Teachers Summit said teachers' top frustration was "too many rules and restrictions on (the) ability to teach effectively."

An informal survey of teachers from Maine to California, conducted in March, found teachers supporting the principles of "accountability" in the Bush education plan—but fretting about the strings it might put on them. Those teachers seem to regard federal and even state education bureaucracies warily.

"If schools are going to be held accountable," as a Teacher Choice member from Illinois put it, "maybe the federal department should be, too."

Larry Parker is the senior reporter for Teacher Choice at the Alexis de Tocqueville Institution in Washington, DC. He can be reached by email at lparker@adti.net.

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NAEP continued from page 1

tested below basic in reading, as did 58 percent of Hispanic children, 47 percent of urban pupils, and 60 percent of children from impoverished homes.

The latest scores also show a continuing "gender gap," but not the sort lamented by feminist organizations. Girls continue to score substantially higher in reading than boys (222 to 212 on a 500-point scale).

"A horrendous 63 percent of black fourth-graders tested below basic in reading, as did 58 percent of Hispanic children, 47 percent of urban pupils, and 60 percent of children from impoverished homes."

Students in private schools tended to score higher than students in public schools. In Catholic schools, for instance, 78 percent of fourth-graders were at or above basic, and 44 percent were at or above proficient.

Dismaying Trends

With NAEP sorting scores into three achievement levels—basic, proficient, and advanced—it should be noted that basic does not mean adequate. Basic is a bare-bones level, with children able to tell generally what they are reading about.

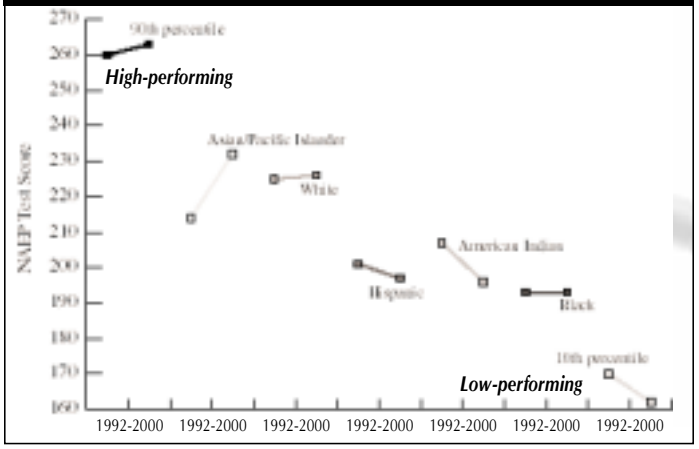
The nonpartisan National Assessment Governing Board holds that proficient is the achievement level all children should be able to reach. Proficient readers can draw conclusions, recognize relationships such as cause and effect, and understand larger concepts. Only 32 percent of the representative sample of students tested nationwide by NAEP scored at or above proficient.

The Report Card also indicated a worsening of the much-lamented racial/ethnic/poverty gap, despite the fact that narrowing the gap has been the focus of much of the federal government's education policy and funding for decades.

The accompanying figure shows NAEP trends by racial/ethnic subgroups over the past eight years. As those figures show, only Asian-Americans are making significant progress in reading. Scores for white and black students are static, and those for Hispanic and American Indian students have fallen over the past decade.

Another worrisome trend exposed by NAEP is the widening gap between high-performing and low-performing readers. The scores for students at the lofty position of the 90th percentile increased from 261 in 1992 to 264 in 2000; scores for students at the 10th percentile dropped from 170 to 163.

NAEP Reading Trends 1992-2000
by Racial/Ethnic Group and by Performance Group



Public Policy Responses

In 1994, Congress enacted President Bill Clinton's Goals 2000, and related initiatives like School-to-Work, for the express purpose of closing the gap. The latest Report Card shows that plan failed. Meanwhile, over the past 20 years inflation-adjusted per-pupil spending in the public schools has climbed from $5,000 to $8,000.

In his "No Child Left Behind" reform plan, President George W. Bush has proposed to allow parents with children stuck in chronically failing public schools to take up to $1,500 of Title I aid and apply it toward a range of private educational options, including tuition in a private school. At this writing, Capitol Hill negotiators want to limit that option to paying private tutors.

Robert Holland is a senior fellow at the Lexington Institute, a public policy think tank in Arlington, Virginia. His e-mail address is rholl1176@yahoo.com.

Reading Problem Becomes Opportunity for Scholastic

BY GEORGE A. CLOWES

In a refreshingly quick and direct response to the latest U.S. Department of Education report on the nation's reading problems, Scholastic, Inc. launched on April 30 two new programs to improve the reading skills of America's students.

Summer School Program

The Scholastic Summer School Reading Program™ is research-based and provides a daily schedule of skills-specific activities and components to support reading success through the use of high-interest literature and direct instruction, where lessons are practiced and reinforced with the whole class and in small groups.

The program provides a daily schedule of skills-specific activities and components to support reading success, and follows a recognized instructional cycle of Teach—Practice—Apply. Measured program outcomes include reading comprehension, reading fluency, vocabulary, grammar and writing skills, and listening and speaking skills.

"This year, thousands of children will be heading to summer school in great need of mastering basic reading skills within a short period of time," said Julie McGee, executive vice president of Scholastic Educational Publishing. "Scholastic Summer School Reading Program™ effectively addresses the issues facing struggling readers and provides much-needed support to summer school teachers and school districts across the country who are urgently seeking motivating programs that help to build skills and raise test scores to close the achievement gap."

Components of the new six-week program include Student Workbooks, Fluency Cards, Reading Skills Cards, and Phonics Instruction; a comprehensive, accessible Teacher Edition with minute-by-minute schedule options; Classroom Libraries of instructional, independent, and read-aloud books; and an Assessment Guide that provides weekly and pre/post tests.

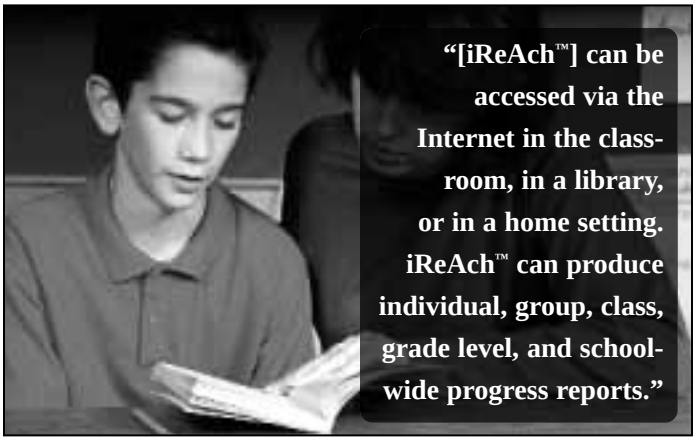
For more information on the Summer School Program, call 1-800-SCHOLASTIC.

Reading Assessment via the Internet

Scholastic also announced the launch of iReAch™, an Internet-based reading assessment program aimed at building reading comprehension and vocabulary skills for students in grades 2-8 and preparing them for state and national standardized testing.

Using this literature-based assessment program, educators can monitor individual student performance and receive instructional support materials that directly address student reading needs.

iReAch™ first has students read full-length books selected from hundreds of well-known and award-winning titles, and then has them take multiple choice tests based on their grade level. The test questions have been correlated to every statewide assessment of reading curriculum and to the five major standardized tests: Metropolitan Achievement Test, California Achievement Test, Stanford Achievement Test, Iowa Test of Basic Skills, and the CTBS Terra Nova.


"[iReAch™] can be accessed via the Internet in the classroom, in a library, or in a home setting. iReAch™ can produce individual, group, class, grade level, and school-wide progress reports."

The resulting iReAch™ reports inform educators and administrators about how students are performing on every tested reading and vocabulary skill, and can be used as an indicator of how students will score on grade-level standardized tests. Delivered through a Web-based subscription service available at http://www.scholastic.com/ireach, the program can be accessed via the Internet in the classroom, in a library, or in a home setting. iReAch™ can produce individual, group, class, grade level, and school-wide progress reports.

"iReAch™ provides immediate feedback on how students are performing, as well as a critical preview of how they might perform on national tests, so that educators can build instruction around students' weakest skills," said Harry Barfoot, vice president and general manager, Scholastic Educational Publishing. "iReAch™ provides an effective tool for schools and districts in their efforts to close the reading achievement gap."

A limited-time 12-month subscription for the program is $99 for a teacher license accommodating 40 students, $349 for a school site license for 200 students, and $79 for 50 student site license extensions. Further information is available by calling 877/268-6871.

About Scholastic

With an 80-year history of serving the reading needs of K-8 educators and students, Scholastic's current educational publishing efforts are focused on producing research-based reading improvement instructional materials that help students overcome reading problems and achieve higher test scores.

Scholastic is the world's largest publisher and distributor of children's books, providing proprietary book and software distribution through school book clubs, book fairs, and classrooms, as well as through the retail trade.

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Voucher "Lies and Distortions" Stymie Choice for Poor

Misinformation campaign jeopardizes children's future

BY GEORGE A. CLOWES

A campaign of misinformation about school vouchers is keeping the benefits of parental choice out of the hands of low-income families, while middle-income and upper-income families continue to take such benefits for granted simply by changing their residence, according to a new report issued by the Office of Research at the Institute for the Transformation of Learning at Marquette University in Milwaukee, Wisconsin.

The un-American result, the report concludes, may be to jeopardize the ability of millions of children to prosper in a free society.

Organized opponents of tax-supported school vouchers purposely issue inaccurate statements about parental choice in order to contaminate discussion of this important public policy issue, contend the report's authors, Howard Fuller and Kaleem Caire. Fuller is a former superintendent of the Milwaukee Public Schools and currently a distinguished professor of education at Marquette. Caire, who was chief education consultant on minority student achievement at the Wisconsin Department of Public Instruction, is executive director of the Black Alliance for Educational Options.

The report, "Lies and Distortions: The Campaign Against School Vouchers," describes the three elements of the misinformation campaign against school vouchers: the "Big Lie Strategy" of organized voucher opponents; media reporting of claims that vouchers pose a threat to basic American institutions; and poor reporting and editorial decisions.

For example, American Federation of Teachers President Sandra Feldman earlier this year claimed suburban private schools would not take Milwaukee voucher students. In fact, the law allows only private schools in the city to take voucher students.

Among many other "Big Lies" documented by Fuller and Caire is former North Carolina Governor Jim Hunt's 1999 claim that "suburban white kids" were benefiting from Milwaukee vouchers instead of African-Americans. In fact, suburban students aren't eligible for vouchers, and 80 percent of voucher recipients are minority.

"We encourage the print and broadcast media to cast a public spotlight on perpetrators of misinformation about school choice," say Fuller and Caire. "The news media should hold participants on all sides of the debate accountable for their statements."

Research Shows Promise of Vouchers

Fuller and Caire point out that a "growing body of credible research suggests expanded school choice may hold real promise for addressing the unacceptable" achievement gap between low-income students, mostly of color, and other students. Coincidentally, Jay Greene, a senior fellow with the Manhattan Institute for Policy Research, was in Milwaukee on April 19, just after the Marquette University report was issued, describing achievement gap research to educators at the National Catholic Educational Association Annual Convention.

Seven studies have been conducted of five different school voucher programs. All have shown positive effects, according to Greene, and "parents in these programs love them." The effect of vouchers is to narrow the achievement gap by about one-quarter—"a remarkable accomplishment, a large effect," according to Greene. By comparison, reducing class sizes from 25 students to 18 narrows the gap by about one-fifth.

A September 15, 2000 *New York Times* article by reporter Kate Zernike cast doubt on this compelling voucher research. Zernike quotes David Myers of Mathematica Policy Research, which gathered data for Harvard University voucher researcher Paul Peterson, as saying "one needs to be very cautious in setting policy based on the overall modest impacts on test scores." Zernike used Myers' statement to accuse Peterson of "overstating" his research.

But in their "Lies and Distortions" report, Fuller and Caire point out the inaccuracies in Zernike's story . . . and also note *The New York Times* has refused to publish a letter from the voucher researchers defending their work and rebutting suggestions of impropriety.

"This campaign of misinformation contributes to denying low-income parents and their children the options that most American families take for granted," conclude Fuller and Caire. "In this instance, the 'consequences of deception' are measured by millions of children whose ability to prosper in a free society may be jeopardized."

For more information…

WWW The 45-page report by Howard Fuller and Kaleem Caire, "Lies and Distortions: The Campaign Against School Vouchers," is available from the Office of Research, Institute for the Transformation of Learning, 2025 North Summit Avenue, Milwaukee, WI 53202, phone 414/765-0691.

You can also download the report in Adobe Acrobat's PDF format from **http://www.schoolchoiceinfo.org.** Point your Web browser to **http://www.schoolchoiceinfo.org/servlets/SendArticle/122/lies2.pdf.**

Long Choice Struggle Ahead, Catholics Warned

Catholic teachers and administrators meeting in Milwaukee in April were warned by parental choice advocate Howard Fuller that the road to school choice was a long one, with the fight to put programs in place being only the first stage of a multi-phase battle against relentless "protectors of the status quo [who] are not just going to go quietly into the night."

In his keynote address to National Catholic Educational Association members at the Milwaukee Auditorium, Fuller described the five-part strategy used by opponents to defeat any parental choice initiative:

- First, try to make sure it never gets into law;
- Second, if it's likely to become law, add limitations to weaken its impact;
- Third, after it becomes law, challenge it in court;
- Fourth, if it wins in the courts, call for additional regulations to improve "accountability";
- And at all stages, put forward lies and distortions about school choice.

Fuller warned against looking to parental choice as a panacea to single-handedly transform American education. Transformation will come from school choice coupled with other strategies, he said, including action from parents willing to stand up and call for school choice. "But American education will *never* be transformed *without* parental choice," declared Fuller, emphasizing the importance of giving poor parents the option of taking their children—and their education dollars—out of schools that aren't working for them and putting them in other schools.

"It's not about whether it's a religious school," Fuller said. "It's about whether parents choose to send their children there."

Parents Must Demand Choice

"There is no Christian math, Christian reading, or Christian social studies," noted another conference speaker, Roberta Kitchen, a voucher parent from Cleveland. "I wanted [my children] to go to a place where what I was teaching at home would be encouraged."

> **"American education will *never* be transformed *without* parental choice."**
>
> ***Howard Fuller***

Advocacy on behalf of parental choice is still needed, outgoing NCEA President Leonard F. DeFiore reminded the educators, even though the U.S. Supreme Court had recognized the right of all parents to school choice in its 1925 *Pierce* decision. Under the present system, parents lose their sovereignty when their child reaches the age of five and enrolls in a public school.

A parent who exercises choice should not be taxed for that decision over and above the rest of the population, argued Archbishop Rembert G. Weakland. Noting about half of all Catholic children attend public schools rather than Catholic schools, he also urged Catholics to work "to make our public schools the best schools possible."

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Vouchers or Tax Credits for Full School Choice?

Which is the better vehicle?

BY MATTHEW J. BROUILLETTE AND JOSEPH P. OVERTON

Which is the better vehicle for implementing full school choice for children: vouchers or universal education tax credits? A recent Cato Institute policy paper, "Toward Market Education: Are Vouchers or Tax Credits the Better Path?" informs the debate on this question.

Researcher and author Andrew J. Coulson, best known for his 1999 opus *Market Education: The Unknown History*, analyzes which school choice policy proposal would best serve both individual needs and communal goals for education.

In *Market Education*, Coulson identified six key conditions present where educational excellence and opportunity have flourished in the last 2,500 years: parental choice, direct parental financial responsibility, freedom for educators, competition among schools, the profit motive for educators, and universal access to the education marketplace. In "Toward Market Education," Coulson assesses how well both vouchers and universal education credits meet these criteria, and concludes tax credits are the superior option.

Tax Credit Advantages

The tax credit Coulson assesses is a universal education tax credit, whereby any taxpayer can claim a dollar-for-dollar tax credit for K-12 tuition, within certain limits. Parents can claim the credit against their own tax liability, and all other taxpayers, including corporations, can claim a credit for contributions to private scholarship-making organizations. This differs from a traditional tax credit in which only parents may claim a credit for tuition paid for their own children.

Since the universal credit is dollar-for-dollar, an individual or corporation can make tuition contributions at no cost. This provides a powerful incentive to do so, especially when both the educational value and public relations value are considered.

Voucher Disadvantages

Coulson finds both advantages and disadvantages with vouchers.

Vouchers successfully meet the criteria for effective education in many ways, including parental choice and student access to schools, as well as freedom, competition, and the profit motive for educators.

However, the key element of direct parental financial responsibility is absent when the government pools tax money and redistributes funds to parents via vouchers. Coulson notes this is particularly problematic because historically the interests of parents who have not paid for their children's education have been ignored.

Policy experts identify additional problems with vouchers that go beyond the scope of Coulson's consideration in "Toward Market Education." Most troubling is the potential impact of government regulation on independent schools. Many fear that once government funding is widespread, private schools could become almost indistinguishable from their government school counterparts, or could be forced to close due to loss of students. The process could occur as follows.

First, even though participation in a voucher program may be voluntary, the vast majority of private schools would, in effect, be forced to accept them. Parents would demand the immediate and significant financial relief vouchers provide from unassisted tuition payments for one or more children. It would be extremely difficult for a private school to pass up the allure of "free" money and the opportunity to make schooling less expensive for its families. Private schools would therefore become increasingly dependent on voucher revenue.

Second, as private schools increasingly accepted government funding, legislatures would respond to increasing calls for state oversight. Many people believe that if the state is transferring public funds to a person or organization, the state should have strict oversight of how that money is used. As the saying goes, "Government shackles follow government shekels." New regulations would challenge the operation and autonomy of previously independent schools. With schools dependent on voucher revenue, few would be able to wean themselves when government regulation becomes invasive.

Finally, the regulatory ratchet effect would decrease the autonomy and diversity of private schools and could force many to close. Regulations would force schools to conform to government-established curricula, teaching and testing methods, religious practices, employment policies, and so on. The initial benefit of competition between schools due to vouchers would then diminish as government regulation forced private schools to become one-size-fits-all institutions as it has traditional government schools.

Most private schools, however, exist to be unique, and many will avoid regulations by refusing to accept vouchers where that option is permitted. Few, however, would be able to do so and remain financially sound as parents succumb to the lower effective cost of voucher-accepting schools.

In comparing universal education credits to the six criteria for effective education, Coulson concludes they "appear on the balance of evidence to offer the best hope for bringing educational excellence within reach of all families." The key advantage of universal education credits is that they restore to the family the responsibility of educating children.

Coulson notes that in addition to including direct parental financial responsibility, universal education credit programs avoid the use of public money.

For more information…

WWW The Cato Institute's February 2001 *Policy Analysis No. 392* by Andrew J. Coulson, "Toward Market Education: Are Vouchers or Tax Credits the Better Path?" is available on the Internet at **http://www.cato.org**.

The Mackinac Center for Public Policy's November 1997 policy study by Patrick L. Anderson, Richard McLellan, Joseph P. Overton, and Gary Wolfram, "The Universal Tuition Tax Credit: A Proposal to Advance Parental Choice in Education," is available on the Internet at **http://www.mackinac.org**.

"Since all the money involved in these programs is privately and voluntarily spent, issues of church-state entanglement and necessary public oversight of public spending are rendered moot," he writes. "Because of the greater resistance to regulation that follows from the absence of state funding under tax-credit programs, those programs do a better job of protecting all the criteria for effective markets from regulatory encroachment."

"Since the universal credit is dollar-for-dollar, an individual or corporation can make tuition contributions at no cost. This provides a powerful incentive to do so, especially when both the educational value and public relations value are considered."

Universal Access?

Coulson notes that vouchers, by their nature, easily provide sufficient funding for all students. He is convinced, however, that universal credits also would provide universal access to good schools. Current universal education credit proposals, such as the Universal Tuition Tax Credit crafted by the Mackinac Center for Public Policy in 1997, have been designed explicitly to provide scholarship funds for children from families that have little or no tax liability.

Coulson recommends reformers embrace school choice proposals that best meet the conditions necessary for effective education in both the short-term and long-term. The failure to adopt sound school choice policies could plunge our private schools, as well as our public schools, into the same conundrum tomorrow that we find ourselves in today.

Matthew J. Brouillette and Joseph P. Overton are director of education policy and senior vice president, respectively, of the Mackinac Center for Public Policy.

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Tax Credits Would Boost Private Schooling in New Jersey

But only 7% of students would benefit

BY GEORGE A. CLOWES

Total private school enrollment in New Jersey would increase by 40 percent, and the state treasury would realize net annual savings of almost a half billion dollars, if the Garden State legislature enacted two proposed tuition tax credit plans being championed by gubernatorial candidate Brett Schundler.

The two plans—a tuition tax credit and a scholarship tax credit—would significantly enlarge the menu of choices available to parents for the education of their children outside of the public schools.

While illustrating the promise of the proposed measures, the tax credit plan also reveals limitations that hamper tax credits. For example, the state income tax liability for most families is much less than the cost of tuition at private schools. In addition, the scholarship credit as proposed would most likely not raise sufficient funds to pay the tuition of every child who wants to attend a private school.

The two tuition tax credit bills were introduced by New Jersey Assemblyman Guy Gregg, working with Jersey City mayor and gubernatorial candidate Brett Schundler. One bill is the Parental Control and Involvement Act (PCIA); the other, the Educational Options Act (EOA).

The PCIA is a parental tax credit proposal that would give parents credits against their state income tax liability equal to 50 percent of qualified educational expenses, up to a maximum total credit of $500 per dependent child. All parents of school-age children also would be eligible to receive a 100 percent tax credit for up to $150 per household for spending on computer hardware and software related to curriculum or instruction.

The EOA is a scholarship tax credit proposal that would give individuals and corporations tax credits of 75 percent of the amount they contribute to nonprofit organizations that give scholarships to children attending non-public schools. For individuals, estates, and trusts, the credit is limited to $10,000; for companies, it is limited to 10 percent of the company's annual corporate income tax liability.

The supporters of the family tax credit bill, the EOA, assert in its preamble: "It is possible for low-income children to attend privately managed schools while simultaneously saving State taxpayers many hundreds of millions of dollars annually." An analysis by The Heartland Institute cautiously confirms that assertion.

"The New Jersey tax credit proposals are well-designed, will help tens of thousands of children find a better education, and would save taxpayers hundreds of millions of dollars to boot," commented Heartland President Joseph L. Bast, author of the April 19, 2001 study, "Fiscal Impact of Proposed Tuition Tax Credits for the State of New Jersey."

"While illustrating the promise of the proposed measures, the Heartland study also identifies limitations that hamper tax credits."

Bast also noted, however, that the plans would encourage only 7 percent of students currently enrolled in public schools to shift to private schools, "hardly the kind of sweeping privatization hoped for by many market advocates."

According to Bast's analysis, the plans together would reduce the after-tax price of private school tuition by between 32 percent and 95 percent, depending on family income, grade level, and choice of school. That would have the effect of increasing the demand for private schools; economists estimate a 10 percent decrease in the price of private schooling increases the probability of a family choosing a private school by 4.8 percent. Overall, the lowered price of tuition would likely increase total private school enrollment by 40 percent, or from 207,275 students currently to 290,958.

The tax credits would lower state tax revenues by some $585 million. However, the transfer of 83,683 students from public to private schools would generate avoided costs of $1.065 billion. Net annual savings to the state treasury would be $480 million.

Limitations of Tax Credits

Although the parental tax credit, PCIA, allows tax credits of up to $500 a year, many families wouldn't qualify for the entire amount. For example, families earning less than $40,000 a year would "zero out" their entire state income tax liability before reaching the cap for just one child.

Running different scenarios with less-restrictive tax credit rules produces relatively few additional student transfers out of public schools, which seems to indicate an inherent limitation in the tax credit approach. For example, Bast told *School Reform News* that doubling the parental tax credit benefit to 100 percent and increasing the dollar cap ten-fold to $5,000 would increase the total percentage of public school students switching to private school from 7 percent to just 7.6 percent.

Could the proposed scholarship tax credit generate sufficient funds to make a significant difference? Using what appear to be reasonable assumptions about participation in the program, Bast's study suggests the EOA measure would raise between $340 million and $530 million a year, enough to provide scholarships to between 57 percent and 89 percent of students wishing to attend private schools. While a half-billion dollars in charitable donations appears impressive, it pales against the $15.6 billion New Jersey state and local governments spend each year on K-12 public schooling.

The scholarship-granting entities created under the EOA measure would fund up to 226,414 full-tuition scholarships or 259,344 partial-tuition scholarships. Those numbers appear impressive until it is recognized that 207,000 students *already* attend private schools. Thus, under the assumptions used in the study, the scholarship measure would generate only 19,414 to 52,344 new private school students.

The New Jersey tax credits, like other tax credit plans, do not *defund* public schools. A dollar donated to a scholarship-granting entity, or deducted from one's personal income taxes, does not result in a dollar less being spent on public schools. There is no provision for returning to taxpayers any of the $480 million in savings that the tax credit plan makes possible.

According to Bast, "It is difficult to see, in this philanthropy-driven model, where any pressure would arise to force governments to spend less on public schools as their enrollments decline. By leaving tax dollars in the public school system each time a parent chooses private schools, tax credits reward public sector incompetence and make the status quo even harder to change.

"In light of the limited impact of even ambitious tax credit programs," Bast concludes, "advocates of privatization who think they have found an approach superior to vouchers would do well to reconsider."

Types of K-12 Education Tax Credits

There's a difference between a tax credit and a tax deduction. While a tax deduction reduces the amount of income on which a family must pay taxes, a tax credit directly reduces—dollar for dollar—the amount of tax the family must pay.

Education tax credits are designed mainly to reduce the effective cost to parents of choosing a non-public school for their child. Since the funds accruing to the taxpayer from tax credits never get into government coffers, the taxpayer benefitting from a tax credit is not considered to be receiving public funds.

Some education tax credits are designed to benefit parents who pay taxes while, strange as it may sound, other education tax credits are designed to benefit parents who do not pay taxes.

Credits to Benefit Parents Who Pay Taxes

Education Savings Accounts. Taxpaying parents receive a direct tax credit by not having to pay taxes on the interest earned on these accounts. At present, such accounts exist only at the federal level for post-secondary education.

Education Tax Credits. Taxpaying parents receive a direct tax credit for all or part of the expenses they have incurred in privately educating their child. Illinois, Iowa, and Minnesota have this type of credit.

Credits to Benefit Parents Who Don't Pay Taxes

Refundable Tax Credits. Non-taxpaying parents receive a direct refund from the state for all or part of the expenses they have incurred in privately educating their child. Unlike other credits, this "credit" does involve the spending of public funds. Minnesota has this type of credit.

Scholarship Tax Credits. Taxpayers receive a credit for donating to organizations that indirectly benefit non-taxpaying parents by providing them with scholarships to send their children to non-public schools. Arizona has this type of credit.

Universal Tax Credits. These combine the Education Tax Credit, for parents who pay taxes, with the Scholarship Tax Credit, for parents who do not pay taxes. To date, no Universal Tax Credit program has been enacted.

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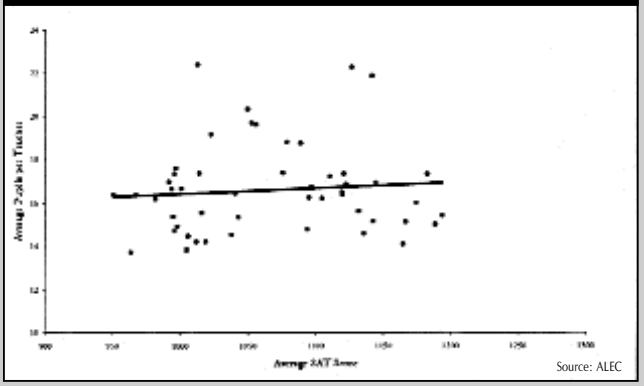
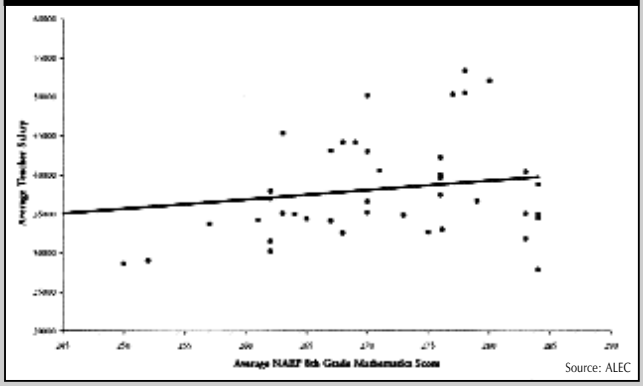
SAT Scores and Pupils per Teacher



Source: ALEC

NAEP Scores and Average Teacher Salaries



Source: ALEC

SPENDING continued from page 1

has spent $80 billion to close the achievement gap . . . only to see a widening of the gap in fourth-grade reading on the National Assessment of Educational Progress test, and no increase in reading scores nationwide.

"A new approach to educating America's children is needed," says Krista Kafer, education policy analyst at The Heritage Foundation, pointing to the Leave No Children Behind Act of 2001 (H.R. 1) as a new prescription for raising student achievement. Kafer's analysis of H.R. 1, "B+ for H.R. 1's Education Reforms," was released on April 23.

"Two new studies, from The Heritage Foundation and American Legislative Exchange Council, question the wisdom of opening the spending spigot for public education."

"Unlike other education legislation now before Congress, H.R. 1 includes more measures to promote academic excellence, accountability, flexibility, and new opportunities for children left behind by the current system," Kafer writes, noting such reforms "face major opposition from special-interest groups" who simply want existing programs reauthorized with higher spending levels.

But the clear lesson of the last 30 years is that simply increasing spending on education will not improve education, says Kafer, starkly demonstrating that point with two patient charts of historical data. Despite greater and greater efforts by lawmakers to revive U.S. public education by infusing it with more and more money, the patient's vital signs showed no response, with NAEP reading and math scores essentially flat-lining since assessments started in the early 1970s.

"The need for genuine reform is clear," says Kafer. "Federal education programs have not increased student achievement, and continuing to fund them as they are now will leave more children, especially disadvantaged children, behind."

President Bush's proposals would reform the education system by

- consolidating existing funding programs into performance-based grants to the states and districts, giving them flexibility in determining how to use the grants to fit the unique needs of their student populations;
- requiring these programs to produce evidence they are boosting academic achievement; and
- giving children in persistently failing schools an exit option.

The last reform, which has attracted the most opposition from public school advocates, is the most significant accountability mechanism in H.R. 1. If enrolled at a Title I school that had failed to improve for three years, students could take their Title I per-pupil dollars to another school, either public or private. Victims of school violence would also be eligible to attend other schools. Even the National Education Association's own survey recently found strong support for such a choice program.

House Education and the Workforce Committee Chairman John Boehner (R-Ohio) welcomed the Heritage Foundation analysis of H.R. 1 and urged his colleagues to read it. The Heritage Foundation is a research and educational institute whose goal is to formulate and promote conservative public policies.

In a companion analysis of the Senate version of the President's education proposal, entitled "A Failing Grade for S.1, the Senate Education Committee Bill," Kafer reports that the Senate effort "resembles current law far more than it does the Bush reform plan," containing more money but little accountability and no choice.

ALEC Report Card

After examining a broader range of data by state, a new study from the American Legislative Exchange Council arrived at the same conclusion as Kafer's Heritage Foundation analysis: Spending more on education doesn't mean students learn more.

Over the past 20 years, expenditures per pupil have increased by 22.9 percent in constant dollars, while standardized test scores have remained relatively constant.

"There is no evident correlation between increasing conventional measures of educational inputs and improving student achievement," said Tennessee State Representative Steve McDaniel, ALEC's 2001 National Chairman.

"We cannot keep looking to past practices as a roadmap to future success," said McDaniel. "There's an old saying that goes, 'Don't throw good money after bad.'"

The data underlying the ALEC analysis were released on April 17 in the eighth edition of the *Council's Report Card on American Education: A State by State Analysis, 1976-2000.*

Authored by Andrew T. LeFevre and Rea S. Hederman Jr., the *Report Card* grades each state using over one hundred measures of educational resources and achievement, from school enrollment and expenditures per pupil to teacher salaries and SAT scores. The comprehensive collection of data is intended to help local, state, and federal policy makers understand how changes in educational inputs are likely to change educational outputs.

Although reducing class size is a top priority for the teacher unions, a series of charts in the ALEC study show no relationship between students per teacher and achievement levels. There's also no clear relationship between higher teacher salaries—another teacher union priority—and student achievement.

"There is no evident correlation between increasing conventional measures of educational inputs and improving student achievement."

"It is clear that states cannot improve student performance over time simply by tweaking pupil-to-teacher ratios, building more schools, or adjusting the level of federal assistance they receive," write the *Report Card*'s authors.

Nevertheless, legislators are under pressure from parents to do something to improve the education system. With two-thirds of America's eighth-graders reading below the "proficient" level, the need for reform clearly extends beyond the troubled school systems in most major cities.

"We cannot simply spend our way to higher grades," said McDaniel, calling for reforms such as charter schools, tax credits, and vouchers, which would bring educational choice and freedom to parents and students.

The American Legislative Exchange Council, with over 2,400 legislative members nationwide, is dedicated to the principles of free markets, individual liberty, and limited government.

For more information...

WWW The American Legislative Exchange Council's Report Card on American Education is available for downloading at the ALEC Web site at **http://www.alec.org.**

Krista Kafer's Heritage Foundation *Backgrounders*, "B+ for H.R. 1's Education Reforms" and "A Failing Grade for S. 1, The Senate Education Committee Bill," are available on the Heritage Foundation Web site at **http://www.heritage.org.**

All three publications are also available through ***PolicyFax***. Call 312/377-3000 and request documents **#2183104** (B+ for H.R. 1), **#2183105** (Failing Grade for S. 1), **#2178415** (Report Card part 1), **#2178416** (Report Card part 2), **#2178417** (Report Card part 3), **#2178418** (Report Card part 4), **#2178419** (Report Card part 5), and **#2178420** (Report Card part 6).

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Charter School Facilities & Finance

The two biggest problems in charter school development have been identified as facilities and finance. With this new column, School Reform News *aims to bring its readers the newest ideas on solving these problems.*

Starting a New School

BY MARK HOWARD

New charter school operators are interested in finding a facility that will house their school in its initial years. The search for that facility should begin at the same time the school's founders begin to fill out their charter school application, roughly twelve months prior to opening.

Estimating the number of students who will be enrolled in the first, second, and third years of operation is vital. It is important to plan for expansion after the school's initial year. More than two-thirds (70 percent) of all charter schools are over-enrolled from the day they open.

Expansion space can be secured upfront, or school officials can obtain an option from the landlord to expand according to the school's projected growth.

The basic formula for estimating the size of the needed facility is:

Number of students x 90 =
Gross square footage required

This formula will include space for your classrooms, administrative area, assembly, media, and cafeteria/food service.

"More than two-thirds (70 percent) of all charter schools are over-enrolled from the day they open."

Location

Charter school officials seeking a location for their facility are the consumers of a product, and they should act like consumers, comparing different products to find the best deal. Three potential sites is really the minimum for a good comparison.

The best possible situation would be to lease existing school space. Private and public schools that may have closed or are currently not operating profitably are good prospects. Obtaining an existing facility already built-out for educational purposes will save a substantial amount of time and money.

Alternatively, recently shuttered supermarkets, variety stores, or drug stores make good conversions to schools. In most cases, the initial rent for such facilities will be under $5.00 per square foot; in some cases, the previous tenant may still be paying rent. This can be a plus for a new charter school: The existing landlord or the previous tenant will have an interest in having the space in use, operating and creating a revenue stream. Community development incentive programs may provide the landlord with a tax advantage for leasing and investing in a school. And in most states, facilities used for public education do not pay real estate taxes.

Charter school officials are urged to take advantage of the experience and market knowledge offered by a local commercial real estate agent. Agents are well-informed on what space is available in the marketplace . . . and, best of all, it is the *landlord* who pays the agent.

Zoning

In rural areas, there may be little commercial space available for a school facility. Charter school officials will have to be creative in their search for an existing structure large enough to house the projected enrollment. And even if warehouse or industrial space *is* available, local zoning ordinances may not permit its use as a school. It makes sense to check with the local planning and zoning department before beginning a facilities search.

Special attention also should be given to determine the property's previous uses. In most cases, an environmental study should be conducted to ensure the property has not housed environmentally sensitive operations or materials that would make it unfit for educational use.

Churches

Although charter schools cannot have a religious affiliation, that does not prevent a church from acting as landlord for a charter school. Many churches have Sunday school space that can be leased to a charter school during the week. Alternatively, they may own property that could be converted to charter school use by locating leased modular units on the property.

In a nutshell, charter school officials need to be creative when searching for an appropriate facility for their school, and they shouldn't hesitate to use the services of a local real estate professional.

Mark Howard has specialized in the development of commercial properties since 1980. He owns and operates M.H. Realty Associates, Inc. in Tamarac, Florida. Readers with questions on facilities and finances are encouraged to contact him directly at mgfl@aol.com. The most frequent questions about common problems will be addressed in future columns.

Colorado Charters Get Construction Funds

Per-pupil capital stipend frees funds for instruction

BY GEORGE A. CLOWES

In April, Colorado Governor Bill Owens signed into law a school funding bill that includes a provision for the creation of a capital construction fund for charter schools.

Allocated to charter schools as a per-pupil stipend of $322 each, the funds may be used for construction, demolition, remodeling, financing, purchasing, or leasing of land, buildings, or facilities used to educate charter school students. Although a few other states provide some form of capital assistance to charter schools, Colorado's new law is the most expansive.

The Republican governor had called for such a provision in his January 11 State of the State Address, in which he highlighted the inequality in funding between children who attend traditional public schools and those who attend public charter schools. Unlike public neighborhood schools, public charter schools in Colorado have had to pay for their school buildings out of their operating funds, which meant less money to pay teachers, buy textbooks, and operate the school.

"It is simply wrong that children who attend public charter schools must have their buildings paid for out of their school's operating funds, while children in public neighborhood schools have their school paid for out of additional, separate, capital funding," said Owens after signing the School Finance Act. "Charter schools will now not erode their instruction budgets for capital needs."

Although the $322 stipend will be a great help to charter schools, it is only about 55 percent of the state's average per-pupil bond redemption amount per year. Even so, when the original bill to create the stipend was introduced by House Speaker Doug Dean, it was bitterly opposed by Democrats, who now control the State Senate for the first time in 40 years. The provision won final approval only as an amendment to the School Finance Act.

For more information…

WWW The Goldwater Institute's March 1998 Arizona Issue Analysis, *Child-Centered School Funding*, is available through ***PolicyFax***. Call 312/377-3000 and request documents **#2124704** (summary, 4pp.); **#2124705** (part 1, 9pp.); **#2124706** (part 2, 11pp.); and **#2124707** (part 3, 14pp.).

Or use ***PolicyBot***, The Heartland Institute's free online research service, to request the documents in Adobe Acrobat's PDF format. Point your browser to **http://www.heartland.org** and click on ***PolicyBot***.

When Owens was a legislator and helped spearhead the passage of Colorado's 1993 charter school law, local school districts were required to fund only 80 percent of charter school operating costs. As governor in 1999, Owens approved a law increasing that requirement to 95 percent. Over time, charter school supporters hope to ramp up the capital stipend in a similar manner, from 55 percent of the average bond redemption to a figure closer to 100 percent.

"I believe in choice and believe in the coming years there will be other ideas on how to increase the choices available to parents and students," said Owens.

In a 1998 analysis of the capital requirements of Arizona's charter schools, researchers at the Phoenix-based Goldwater Institute estimated annual funding of $650 per pupil would be sufficient to convert school construction and maintenance costs to a per-pupil stipend. In *Child-Centered School Funding*, authors Michael K. Block, Jeffry L. Flake (now Congressman Flake), Mary Gifford, and Lewis Solomon report the $650 amount "would allow the vast majority of existing school districts to build new facilities and renovate old ones, on a pay-as-you-go basis."

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Education Industry News

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Classwell Acquires Expeditionary Learning Provider

On April 10, **Classwell Learning Group**, a provider of e-learning solutions for the pre-K-12 market, announced it had acquired **GlobaLearn**, an online curriculum provider that facilitates expeditionary learning. GlobaLearn produces K-12 language arts and social studies activities, including Expedition, lesson plans and student activities on regions of the world. Financial details of the transaction were not disclosed.
www.classwell.com

Haskell, Charter Schools USA Become Partners

Haskell Education Services, a design and construction company for pre-K-12 schools, and **Charter Schools USA**, a K-12 charter school management company, announced a partnership on April 4. Under the terms of the agreement, Haskell will provide design, financial, and auxiliary services to schools managed by Charter Schools USA. Charter Schools USA will provide management services to schools co-developed by the two companies.
www.charterschoolsusa.com / www.thehaskellco.com

Internet Improves Quality of Education, Teachers Say

An April 9 **NetDay** report on the integration of the Internet in the classroom, which surveyed 600 public and private school teachers across the United States, found 84 percent of the teachers surveyed believe computers and the Internet can improve the quality of education. However, two-thirds also believe the Internet is not currently well-integrated into classrooms.

Forty-eight percent of teachers responding to the survey said that, over the last two years, the Internet has become an important tool for teaching—but half or more use the Internet for less than 30 minutes a day at school. The study found the majority of teachers see the Internet mainly as a research tool, and only 26 percent of teachers say they use it in learning activities.
www.netday.org

Plato's Courseware and Tests Will Serve ETS

Plato Learning, Inc. a provider of computer and Web-based instruction, and **Educational Testing Service** (ETS), an educational testing and research company, announced a partnership on April 11. Plato's Courseware and its new Simulated Test System, which includes updated teacher assessment tests and Internet delivery, will replace ETS' LearningPlus program, delivering online instruction and placement tests in reading, writing, and math.
www.plato.com / www.ets.org

Scholastic to Focus on Reading Improvement

Scholastic Corporation, publisher and distributor of children's books, announced on April 17 it will not update its basal textbook reading program for future state adoptions but instead will focus the company's educational publishing efforts on research-based reading improvement programs.

The company's instructional materials in this area consist of intervention, technology, phonics, early childhood, extended learning, and summer school programs, which help students overcome reading problems and achieve higher test scores.

Launched in 1999, Scholastic's reading improvement programs cost less to produce and have rapidly grown into a profitable, $50 million business.

"We are committed to teaching children how to read and we intend to maintain a significant presence in reading curriculum," said Richard Robinson, chairman, president, and CEO of Scholastic. "Because the textbook market has changed, our resources will be better applied to our reading improvement programs focused on helping the more than 8 million children who are reading below grade level. We can have more impact by helping children at risk with innovative products such as *Read 180*™—where we have already established our expertise—than by continuing to produce basal textbooks."
www.scholastic.com

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For over 15 years, Children's Software Press has reviewed and evaluated products in its *Children's Software* newsletter. Thousands of parents and teachers turn to the company—not only for information about what's new on the market, but also for ideas on how to help children get the most out of technology.

Five years ago, Children's Software Press launched an inexpensive brochure series (most titles are $4). Starting with a much-needed guide for students on how to cite electronic sources, the most recent edition in the series tackles the question of how to write a "Paperless Paper"—a concise look at how the computer can be a helpmate to students in the research process from conception to final product.

Other booklets in the series explore how to use digital cameras in the classroom, computer craft projects, detecting misinformation on the Web, and Internet safety. Upcoming topics in the series include student guides to writing a book report with the help of a computer, making a presentation with technology aids, and tackling current events assignments using the Web.

For more information...

WWW on the products and services offered by Children's Software Press, visit its Web site at http://www.childsoftpress.com or call 713-467-8686. Children's Software is located at 720 Kuhlman Road, Houston TX 77024.

SchoolNet Receives Additional Financing

SchoolNet, an application service provider for K-12 schools, announced on March 26 it had secured an additional $1 million round of financing from its original investors, including Alley Capital, Quad Ventures, The Princeton Review, and SeaVest. The company will use the funding to expand its product development and sales efforts.
www.schoolnet.com

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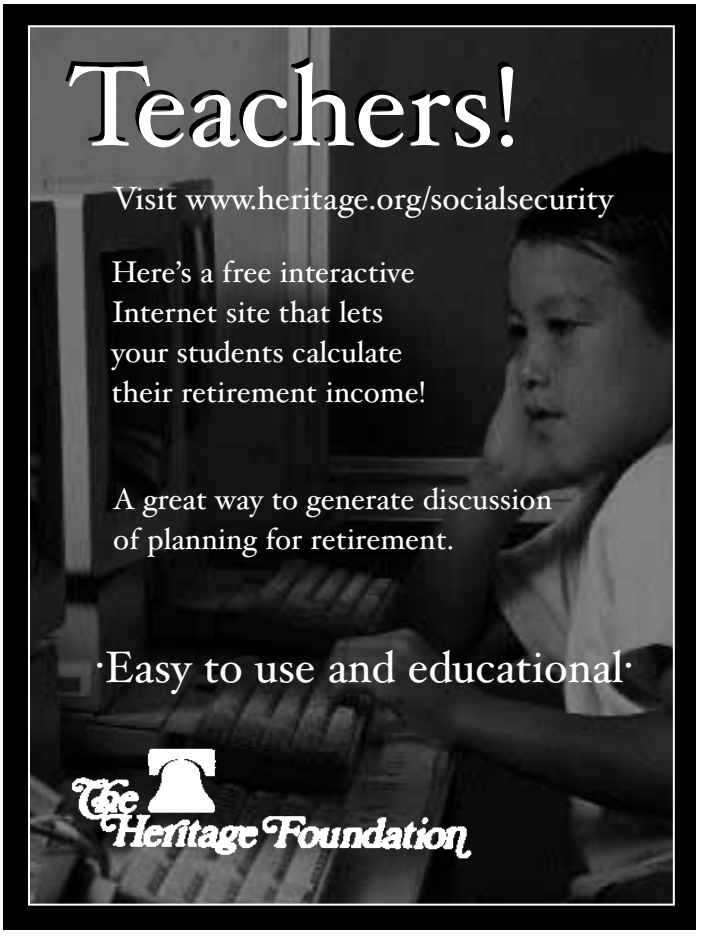
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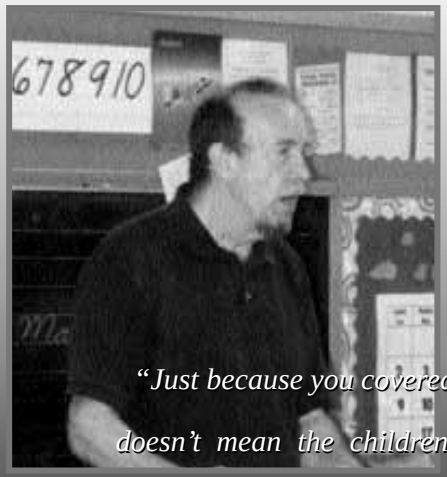
"If the Children Aren't Learning, We're Not Teaching"

AN INTERVIEW WITH SIEGFRIED E. ENGELMANN

BY GEORGE A. CLOWES



"Just because you covered the material doesn't mean the children learned the material. That tells about what you did. It doesn't tell about what you taught. If you want to know what you taught, you have to look at what the children learned."

One of the most vigorous continuing debates in elementary education is over which teaching method produces the best results.

Is it teacher-directed learning, where the teacher conveys knowledge to his or her students? Or is it student-directed learning, where the teacher encourages students to construct meaning from their own individual learning experiences?

Although a considerable body of research shows student-directed learning is ineffective, the debate rages on because many educators—and especially teachers of educators—choose to ignore the research.

Siegfried Engelmann has been one of the key participants in this debate over the years, and a major contributor to its resolution. He first became interested in how children acquire knowledge when he was research director for an advertising agency trying to understand more about the learning process.

Pursuing this interest, Engelmann quit the advertising business in 1964 and became senior educational specialist at the Institute for Research on Exceptional Children at the University of Illinois at Champaign-Urbana. There, his research into the effectiveness of different teaching methods in the education of underprivileged children led him to develop the Direct Instruction method of teaching.

The Direct Instruction method involves teaching from a tightly scripted curriculum delivered via direct instruction to the class; i.e., giving children small pieces of information and immediately asking them questions based on that information. While Direct Instruction is teacher-directed instruction, it does not encompass all the possible varieties of teacher-directed instruction, including the common situation where a teacher delivers a content-rich curriculum to students but decides exactly "what" will be taught.

Engelmann's research in the 1960s into the effectiveness of different teaching methods was subsequently confirmed by the massive federal Follow Through project in the 1970s and 1980s. In 1999, the American Institute of Research looked at 24 education reform programs and concluded Direct Instruction was one of only two that had solid research vouching for its effectiveness. But despite all the research findings, Direct Instruction is used at only 150 of the nation's more than 114,000 schools.

After developing the Direct Instruction method, Engelmann became a professor of special education at the University of Oregon, in Eugene, Oregon, where he established the National Institute for Direct Instruction. He recently spoke with *School Reform News* Managing Editor George Clowes.

Clowes: *What approach did you first take to understanding the mechanics of the learning process?*

Engelmann: I studied philosophy when I was in college, and I was much influenced by the British analytical approach that required very careful parceling out of what caused what, and also what kind of conclusions you could draw from what kind of premises. That had a big impact on how I viewed this process initially, particularly the notion that we are responsible for whatever children learn. We can't just take credit for what they *did* learn; we have to take credit for what they didn't learn, or mis-learned, also.

"The notion that you somehow recognize the word as a lump has been thoroughly discredited by research."

We assumed that children were logical, reasonable beings in terms of how they responded to our teaching, and that their behavior was the ultimate judge of the effectiveness of whatever went into our teaching. If the way we taught didn't induce the desired learning, we hadn't taught it. But if children learned stuff that was wrong, we were responsible for that, too, and it meant we had to revise what we were doing and try it out again. That's the formula we used from the beginning.

Just because you covered the material doesn't mean the children learned the material. That tells about what you did. It doesn't tell about what you taught. If you want to know what you taught, you have to look at what the children learned.

Clowes: *Which means you have to test the children.*

Engelmann: It means you would not wait to test the children. You would design the instruction so that you were testing them all the time. You would design the instruction so that you received feedback on what they were learning at a very high rate. You would present instructions so that the children's responses carried implications for what they were learning. And you would design the instruction to be efficient, so that you're not working with just one child.

All of this means that, for young children, you would use procedures involving oral responses where the children can respond together, and you get information about what they're learning from their responses. That's the test.

For very simple responses, the paradigm that we use is: Model, Lead, and

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Test. You first show them what the task is and how they're supposed to respond to it. Then you test to see if they can respond properly. It all happens very quickly.

It's something like, "My turn: What am I doing? Standing up. Your turn: What am I doing?" It's a model and then a test. But if they can't produce the response, then you do a model and lead the test. For example, "My turn: What am I doing? Standing up. Your turn: What am I doing? 'Standing up.' Say it with me: 'Standing up.' Once more: 'Standing up.' Your turn: What am I doing?" So "your turn" is the test.

Clowes: *When did you decide to develop this into an instructional package for beginning learners?*

Engelmann: Initially, we took programs people were using or were being talked about and evaluated them according to our criterion: If the children aren't learning, we're not teaching.

For the most part, the children we were working with were disadvantaged preschoolers. They represented a particular challenge because they didn't come in with very high levels of knowledge and they didn't learn things very well. Their performance on the programs that were available led to the conclusion these programs just didn't work—the language experience program, the sight-word approach—none of them worked. They were *horrible*.

The sight-word, or look-say, approach is particularly bad because there is no method for correcting mistakes. If a child reads a word incorrectly, what do you tell them with the sight-word approach? "Look at the unique shape of the word," or "Look at the beginning letter and ask yourself what that word could be." That's it. They're not taught that the word is a function of the arrangement of specific letters. It's like taking average people off the street and trying to teach them calculus by showing them different curves with different answers. "What's this one? .03. And this one? .05. Good." It's that stupid.

With sight-word, children develop all kinds of misconceptions about what reading really is. They think reading means looking at pictures and guessing what the words are, because that's what they've learned to do. The misconceptions are induced because the children are given highly predictable text for reading practice, which then reinforces for guessing on the basis of context. But when they're given text that's not predictable, they can't make out what the words on the paper say because they really don't know how to read.

The only programs that showed any promise were the ones based on the International Teaching Alphabet, where you taught children to read using the phonetic pronunciation. You could teach disadvantaged kids to read that way, but then you had a terrible time transitioning them out because they were absolutely unprepared to deal with the high rate of irregular pronunciations among the most common words. The reading strategies they had developed with the phonetic alphabet weren't any help to them and a great deal of re-teaching was necessary.

But what they had learned was a function of what we had taught. We were responsible for so seriously mis-teaching these children that they could not easily transition and learn the irregular side of the reading game. So that meant we had to a) introduce some version of irregulars very early, so that children get the idea not everything is perfectly regular, and b) keep the sounding-out, but treat it more as a sop for spelling the word. You don't want them to spell the word for initial reading. You want them to be able to sound out the word. But if you do it rigorously, they can easily understand that a particular sound means a particular letter.

The notion that you somehow recognize the word as a lump has been thoroughly discredited by research. When words are presented on a screen at the rate of about four or five hundred words a minute, experienced readers still can identify misspelled words. They can't do that without understanding the arrangement of letters in the word, and that each word is composed of a unique arrangement of letters. They're not looking at the shape of words.

Clowes: *When did you decide to publish your findings?*

Engelmann: When we were working with the children, our objective was to teach them reading, math, and language. We wanted to make sure we taught them well, and so we made up sequences that compensated for what was lacking in other programs.

"With sight-word [reading instruction], children . . . think reading means looking at pictures and guessing what the words are, because that's what they've learned to do."

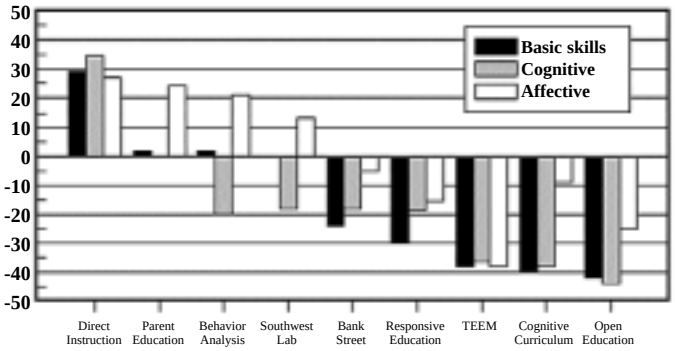
Pretty soon we had prototype versions of the reading program, the math program, and the language program. Our rule was that we would not submit anything for publication until we were sure that if the script was followed and presented as specified, it would work. We never submitted anything for publication that was not absolutely finished.

Also, the publisher was not allowed to edit any of our material. The publisher would say, "There's a better way to phrase it." No, there isn't! We've tried different ways. This way is efficient and it ties in with things we're going to do later on.

Another thing that happened was the federal government's Project Follow Through, which came out of President Johnson's War on Poverty and was aimed at evaluating programs that provided compensatory early education to disadvantaged children. We were one of 13 major sponsors, with the others representing the full spectrum of philosophies about instruction: developmental, Piagetian, the British open classroom, natural learning processes, and so on.

Comparison of Achievement Outcomes

Across nine Follow Through models



Basic skills model
Direct Instruction
Behavior Analysis
Southwest Lab

Cognitive skills model
Parent Education
TEEM
Congnitively oriented curriculum

Affective skills model
Bank Street
Responsive Education
Open Education

Baseline (0) represents average of the national pooled comparison group.
Source: Educational Achievement Systems

The Washington Times

The results showed those other programs don't work in any subject. Direct Instruction beat them in all subjects. We beat them in language, in math, in science, in reading, and in spelling. And our students were the highest in self-image. And although Follow Through went only through third grade, additional follow-up showed an advantage through eighth grade and a statistically significant increase in college enrollment.

We also have some more direct information from places we worked with in Utah, where the Direct Instruction sequence goes through sixth grade, For example, when the children in Gunnison Elementary School entered junior high, they skipped seventh grade math and went directly into Algebra I, which was scheduled for eighth grade. At the end of the year, the children from our program were first, second, fourth, fifth, and sixth in performance in Algebra I.

Clowes: *So Project Follow Through confirmed what you had already found about the ineffectiveness of those other programs. Yet those programs still are being promoted in teacher colleges and they still are widely used, while Direct Instruction is not. Why?*

Engelmann: The answer is really simple, but it's very difficult for most people to accept: Outcomes have never been a priority in public education, from its inception. That's the way the public education system is. The system is more concerned with the experience of the child: "Let the child explore," "Let the child be his or her self," "Don't interfere with the natural learning process," and so on.

The rhetoric is wonderful, but the test is: Does it work? Quite clearly, it doesn't. The ones who are victimized the most by this are children from poor families.

But anyone who does not view the child in this way is portrayed as some kind of redneck Republican with no real human concern.

Clowes: *What about Advantage Schools? I understand they're using your approach, too.*

Engelmann: They're doing some pretty good things, but I think they're probably a little light on initial training. Part of that is because they're installing a school from scratch, and so you have to teach the teachers and the administrators a lot more than you would if you were just moving into an extant school. That's a tough job. It takes months to get the routines down.

Clowes: *Do you have any recommendations for state policy makers who want to raise the quality of U.S. K-12 education?*

Engelmann: My first recommendation would be to use only data-based material; that is, material that has a track record and can demonstrate it works. My second recommendation would be to evaluate test results skeptically. Don't rely on state tests and the like to give you an indication of what's really going on. To produce quality, you have to have quality control. That means having random samples, just as you would in a business.

You would go into a school and randomly test one out of five students in randomly chosen classrooms. In reading, you would give each student a passage to read and then ask them some questions about it. You could get the information you need out of a classroom very quickly—I'd guess no more than 10 minutes. If you sampled six classrooms, that would give you a pretty good idea of what is going on in that school. Then you would compare the performance of the students you had sampled with their achievement test scores and note any discrepancies.

In many cases, you will discover great discrepancies—where the children performed well on the test and yet when sampled they can't do math or they can't read. Schools can do all kinds of things to make their scores look better than they really are, so they need to be evaluated skeptically, preferably with this quality control approach.

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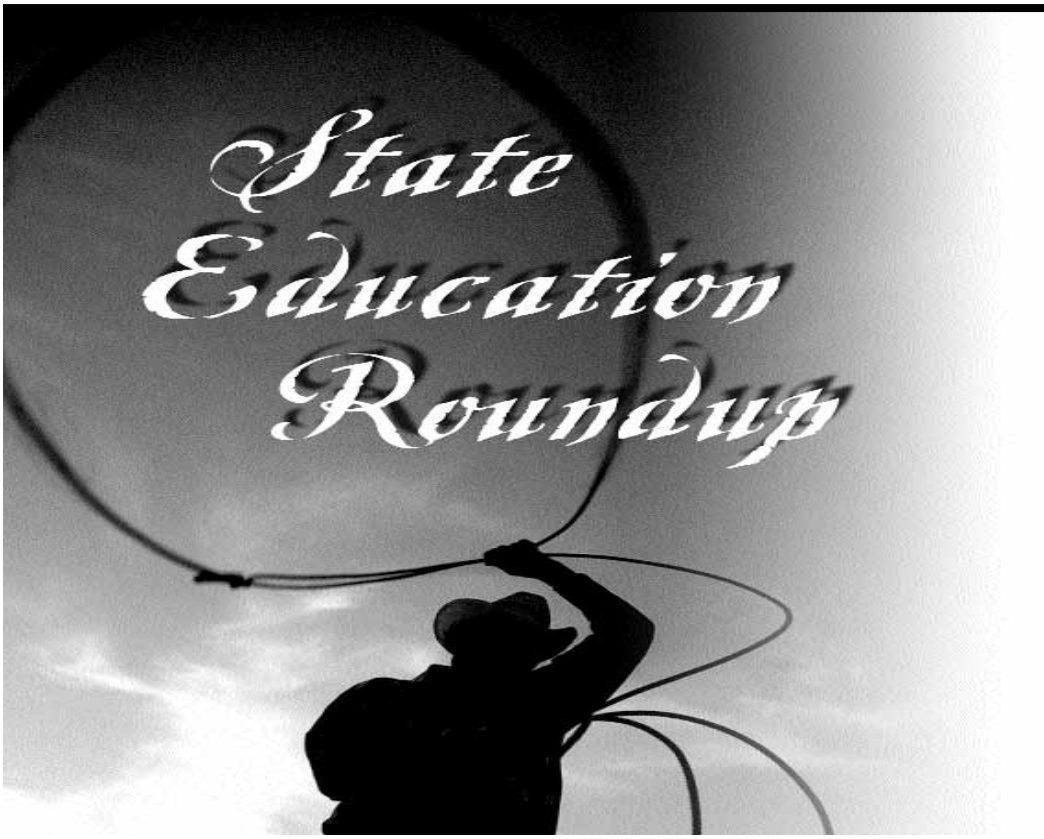

Florida

Challenge to Scholarship Program Rejected

On April 24, the Florida Supreme Court declined to review the decision of the First District Court of Appeals in the legal challenge to the Florida Opportunity Scholarship Program, which allows students in persistently failing schools to use a publicly funded voucher to transfer to a secular or religious private school.

The appeals court had held it is permissible for the state to use public funds for student tuition in private schools. The Florida Supreme Court vote not to review the decision was 4-1, with two justices not participating for unknown reasons.

The case now returns to Leon County Circuit Court for consideration of other issues, including whether the Florida Opportunity Scholarship Program violates the First Amendment, the state religious establishment provision, and the state constitutional mandate of a uniform and high-quality public education, A lengthy discovery period is anticipated before the case goes to trial.

Institute for Justice
April 26, 2001

More School Choices for Floridians

Two new school choice programs for Florida families appear likely to be signed into law later this year by Governor Jeb Bush.

On April 12, the Florida Senate voted 25-14 to approve CS-HB271, a $50 million plan to give corporations a dollar-for-dollar credit for their donations to nonprofit scholarship organizations that would use the funds to offer $3,500 a year scholarships to children in low-income families. Companies could divert up to 75 percent of their state income tax liability to these organizations, but they would not be permitted to select which children receive scholarships. In March, House legislators passed the bill with scholarships of $4,000, but a reconciled version is almost certain to become law.

Senate President John McKay (R-Bradenton) also recently pushed a bill through the Senate that would allow any disabled student to attend private school if his or her parents are dissatisfied with the child's public school. The bill also removes caps on the number of students allowed to transfer under a current law that has resulted in nearly 1,000 students switching to private schools. McKay's bill is now in the House, where it was approved out of committee in late April.

The Florida Education Association warned of skyrocketing voucher costs if more parents took advantage of the program, but the publisher of the *Florida Times-Union* pointed out that "in reality, there would be no new costs—just a change in where the money would be spent."

Sun-Sentinel — April 13, 2001
Florida Times-Union — April 26, 2001

Illinois

Appellate Court Upholds Tuition Tax Credit

On April 4, a three-judge panel of the Appellate Court of Illinois for the Fifth Judicial District unanimously upheld the constitutionality of the Illinois educational expenses tax credit law, affirming a December 1999 ruling by Judge Loren P. Lewis of the Franklin County Circuit Court, which also found the tax credit to be fully constitutional.

Although the constitutionality of the Illinois tax credit law is under attack in two separate lawsuits, all four courts and eight judges that have looked at the law to date have concluded it is constitutional.

In this case, the Illinois Federation of Teachers had argued that the law, which provides a credit against state income taxes for 25 percent of tuition, book fees, or lab fees incurred by K-12 students at public or private schools up to a maximum of $500 per family, violated two provisions of the Illinois Constitution, dealing with the establishment of religion. The appellate court, however, emphatically rejected that argument.

The opinion written by Justice Philip J. Rarick emphasized two key points. First, the court concluded "[t]he credit at issue here does not involve any appropriation or use of public funds." Rather, the court pointed out the credit "allows Illinois parents to keep more of their own money to spend on the education of their children as they see fit."

And second, the court concluded the credit did not have the primary effect of advancing religion because it is "equally available to all parents of public or nonpublic school children" and "[f]unds become available to schools only as the result of private choices made by individual parents."

Institute for Justice
April 4, 2001

For more information...

WWW Court Ruling #5-99-0829 is available on the Illinois Court System Web site at **http://www.state.il.us/court** under Opinions for the Fifth District Appellate Court.

Indiana

Hoosier State Forges Strong Charter Bill

On May 2, Indiana joined 37 other states that support charter schools when Democrat Governor Frank O'Bannon signed into law SB165, authored by Senator Teresa Lubbers (R-30), a long-time advocate of charter schools.

The law, seven years in the making, is ranked the seventh strongest in the country by the Center for Education Reform. It does not limit the number of charter schools in the state; it allows state universities, school boards, and the mayor of Indianapolis to authorize charter schools; and teachers in charter schools do not have to participate in collective bargaining. All per-pupil funds follow the child to the charter school, with the exception of capital expenses, which stay with the district from which the student leaves.

The provision allowing a mayor to authorize charter schools is the second of its kind in the country, the first being established for Milwaukee. The mayor of Indianapolis, currently Democrat Bart Peterson, is allowed to authorize five charters per year and to bank the number of charters not authorized in any given year for later use. Many mayors want this power, but state legislators have been reluctant to grant them the authority.

Greater Educational
Opportunities Foundation
May 3, 2001

Maryland

Glendening Wins Funds for Private Schools

Although charter schools did not win approval in Maryland's 90-day General Assembly session that adjourned on April 9, Democrat Governor Parris B. Glendening did win his hard-fought battle to secure a $5 million budget item to help buy textbooks for secular and religious private schools.

The Friedman Report
April 2001

Michigan

Poll: Money Grab Behind Schools Takeover

Only one-third of 1992 Detroit high school freshmen graduated four years later, and fewer than one in ten of those graduates was able to read at grade level. Tests conducted just before the 1999 state takeover revealed that a scant 6 percent of high school juniors in the Detroit Public Schools met state standards in reading, writing, mathematics, and science. And a *Detroit News* investigation in 1999 concluded, "Incompetence, mismanagement and cronyism by Detroit school officials, employees and contractors, and a system with inadequate safeguards, have devastated a $1.5 billion school construction project" approved by voters in 1994.

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Yet a March poll of Detroit residents conducted by EPIC/ERA found that only one-third of respondents say the state takeover was necessary for the city's school system to improve. More than half of the respondents, 51 percent, say the takeover was simply a money grab by Lansing lawmakers and their suburban supporters to gain control of $1.5 billion in school bond money—even though state lawmakers have no say over how this money is spent.

Detroit Free Press, April 3, 2001
Detroit News, October 3, 1999

New Hampshire

House Passes Voucher Bill

On April 5, House lawmakers in New Hampshire voted 182-173 in favor of a voucher bill that would help low-income parents get their children out of low-scoring schools and send them to private non-religious schools or to public schools in other communities. The help would come in the form of a voucher worth between 20 and 80 percent of their children's state education aid grant.

"It's an attempt to provide assistance in the most needy cases," Representative Russell Cox (R-New Castle) told *Foster's*. But critics said there was a lack of private schools and that the voucher might not provide enough money for the poorest families.

Foster's Daily Democrat
April 5, 2001

Ohio

More School Choice Options Proposed

In April, Ohio Republicans proposed several bills that would expand school choice options for Ohio families:

Vouchers in more cities: Senator Bryan Williams (R-Akron) said he would introduce a bill to expand vouchers beyond Cleveland to 35 additional districts where schools have the lowest districtwide scores on state proficiency tests.

Higher voucher value: Under a proposal from Representative James Trakas (R-Independence) and Senator Ronald Amstutz (R-Wooster), the voucher value would be more than doubled by setting it at the minimum aid amount for public school students.

Private vouchers: Williams told *The Beacon Journal* there also would be a proposal for an income tax credit of up to $1,000 for donations to organizations that provide scholarships for children to attend private schools.

The Beacon Journal
April 4, 2001

Oregon

College Voucher Proposed for High School Students

Senator Avel Gordly (D-Portland) has teamed up with Associated Oregon Industries, a business lobbying group, to push Senate Bill 783, a measure that would allow high school juniors and seniors to take college classes with the tuition covered by their high school. Gordly and the business group do not regard their proposal as a voucher; they say it's about "expanding options" for high school students and could keep some from dropping out of school.

Critics disagree. "The bill as it stands is a voucher and we're opposed to it," Oregon School Employees Association lobbyist Tricia Smith told the *Statesman Journal*. "We're opposed to taking public money and sending it to private religious institutions."

John Marshall, lobbyist for the Oregon School Boards Association, agreed, saying "any time when a student can make a unilateral decision to leave the public school system and take the money that comes to the public school . . . that's a voucher."

Statesman Journal
April 10, 2001

South Carolina

House Passes Tax Credit Bill

On a voice vote, the South Carolina House approved HB3172, a bill providing tax credits for donations to private organizations that award private tuition scholarships. The bill is pending in the Senate.

A Voice for Choice
April 20, 2001

Texas

Declining Teacher Morale Linked to Student Behavior

A survey of Texas teachers published late last year found more than 61 percent of teachers in public schools, and only 36 percent of teachers in private schools, believed teacher morale was becoming worse.

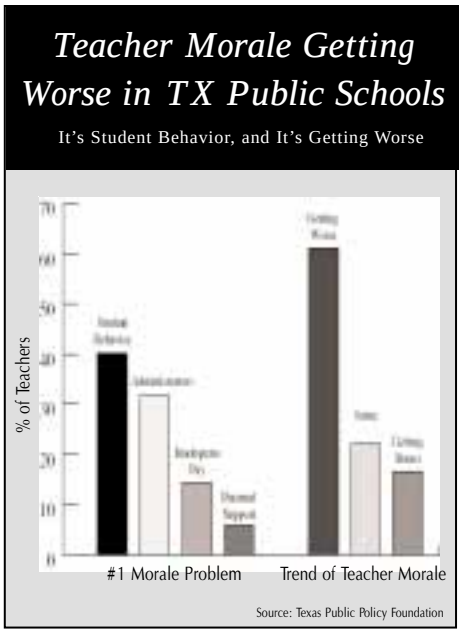
When asked to select the main teacher morale problem at their school, only 14.4 percent of public school teachers cited "insufficient financial compensation," while 40 percent picked "student attitudes and behaviors" and 31 percent picked "treatment by administrators." Less than 6 percent cited "lack of parental support." For teachers in private schools, the numbers citing these same three factors were 29, 33, 23, and 3 percent respectively.

While one-third of private school teachers (35 percent) stated the trend of their school discipline programs was improving, one-third of public school teachers (35 percent) saw their school discipline programs worsening. Less than 11 percent of private school teachers saw student conflict increasing, compared to almost 30 percent of public school teachers.

"The survey supports the conclusion that the environments our public school teachers work in have important deficiencies," said John Pisciotta, author of the study and associate professor of economics at Baylor University. "The results show that increases in salaries and benefits will not solve the shortage of teachers in Texas," he continued, noting the main responsibility for improving school environments lay with local school districts and communities.

The study, "Teacher Attitudes in Texas Public and Private High Schools," was published by the Texas Public Policy Foundation and is available at **http://www.tppf.org**.

Texas Public Policy Foundation
December 2000


Teacher Morale Getting Worse in TX Public Schools
It's Student Behavior, and It's Getting Worse
% of Teachers
#1 Morale Problem
Trend of Teacher Morale
Source: Texas Public Policy Foundation

Utah

Leavitt Signs Paycheck Protection into Law

In March, Governor Mike Leavitt signed into law the "Voluntary Contributions Act," which restricts public employee labor unions from using the taxpayer funded payroll system to collect funds for use by political action committees (PACs). In the future, government union PACs would have to collect political action funds from their members by personal checks. The bill, House Bill 179, was authored by Representative Chad Bennion. Support for the measure was 42-33 in the House and 17-12 in the Senate.

The Utah Education Association had warned Leavitt to veto the bill or face an expensive constitutional battle. However, Utah Attorney General Mark Shurtleff expressed confidence that HB 179 is defensible in court and said his office will vigorously defend the bill.

The Sutherland Institute
March 21, 2001

Wisconsin

New Governor Pushes School Choice

Wisconsin Governor Scott McCallum's first state budget demonstrated his support of the Milwaukee school choice program by proposing an increase in funding from $49 million for 9,638 students to $68 million for 11,850 students. McCallum also proposed two changes that would expand eligibility for the program:

- aligning the voucher program with the federal free or reduced price lunch program, which would increase the income limits from 175 percent of the poverty level to 185 percent; and
- permitting children to stay in the program even if their family income rises above the 185 percent limit.

Choice schools also could opt to give the state standardized tests under another McCallum proposal.

Milwaukee Journal Sentinel
March 27, 2001

Union-Backed Candidates Make Gains

Two years ago, all five candidates for the Milwaukee School Board who were backed by the Milwaukee teacher union were defeated. On April 3 this year, the union backed four candidates and all four won, including incumbents Charlene Hardin, a frequent board critic, and Lawrence O'Neil, an independent.

The biggest upset was the defeat of board president Bruce Thompson by Jennifer Morales, director of two education research centers at the University of Wisconsin-Milwaukee. Peter Blewett, assistant coordinator of the creative writing program at the University of Wisconsin-Milwaukee, also defeated an incumbent. Both Morales and Blewett oppose the city's voucher program.

In the race for state school superintendent, Madison West High School principal Elizabeth Burmaster, who was strongly backed by the Wisconsin Education Association Council, defeated Hortonville English teacher Linda Cross by a 60-40 margin. Cross raised less than $55,000 for the race compared to Burmaster's $321,000, which was supplemented by independent WEAC ad spending of at least $276,000 on her behalf.

Milwaukee Journal Sentinel
April 3-4, 2001

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CATHOLIC continued from page 1

Domanico is senior education advisor to the Metro New York Industrial Areas Foundation, a network of community organizers working with parents of public school students on issues of public school improvement.

Because of the limited number of seats available in Catholic schools, Domanico admits it is not possible to completely solve the achievement problem in the city's public schools by transferring students to Catholic schools. However, he notes, the benefits to the students who could transfer would be "enormous."

A "True Public Benefit"

"Those who wish to hold the line against tuition vouchers or tax credits need to own up to the very real human cost of that opposition," Domanico writes, noting Catholic schools face "ongoing financial and operational crises."

"The City of New York and its poor and working class families cannot afford to lose these Catholic schools," says Domanico. "[A] reasonable case can be made," he continues, "for taxpayer support of the poor families that are already enrolling youngsters in the Catholic schools."

According to Domanico, Catholic schools in poor and minority neighborhoods already are providing "a true public benefit" by educating some 30,000 students to higher levels of achievement than their peers in the overcrowded neighborhood public schools. Domanico's analysis strongly suggests that cutbacks in the city's Catholic school system would harm the public interest, and that the schools and the families they serve are deserving of public support.

Studying Student Performance

Domanico's March 2001 study, "Catholic Schools in New York City," was commissioned by Joseph P. Viteritti, who heads the Program on Education and Civil Society at New York University. Viteritti is the author of *Choosing Equality: School Choice, the Constitution, and Civil Society* (Brookings Institution Press, 1999), in which he favors a school choice system designed specifically to benefit the poor.

Domanico's comparison of public and private school performance in New York was made possible by the decision of the Archdiocese of New York and the Archdiocese of Brooklyn to have all their schools participate in the state's fourth- and eighth-grade English language arts and math exams. Since 1999, the New York Education Department has required all students in public schools to take these exams, but private schools participated only on a voluntary basis.

Catholic schools, according to Domanico, reported higher average scores than public schools in both subjects at both grade levels, with differences widening in the eighth grade. Specifically, Domanico found:

- In English language arts, a 9.8 point advantage for Catholic schools in grade 4 almost doubled to a 17.0 point edge by grade 8.
- In math, a 6.9 point advantage for Catholic schools in grade 4 almost tripled to a 20.0 point edge by grade 8.

Students in Catholic schools pass the state tests at a higher rate than their counterparts in public schools, with that difference again widening in the eighth grade:

- In English language arts, Catholic schools enjoyed an 8.0 percentage point advantage in pass rate over public schools in grade 4, with the edge more than doubling to 18.9 percentage points by grade 8.
- In math, Catholic schools enjoyed a 7.3 percentage point advantage in pass rate over public schools in grade 4, with that edge increasing to 12.6 percentage points by grade 8.

Best for Low-Achieving Students

The difference between the Catholic and public school systems in New York City is most marked when measured by the percentage of students who fall into the lowest-scoring category:

- In English language arts, 23.2 percent of public school eighth-graders fall into this category, compared to only 6.0 percent of Catholic school eighth-graders.
- In math, 43.6 percent of public school eighth-graders fall into this category, compared to 18.6 percent of Catholic school eighth-graders.

Although teacher union president Randi Weingarten, head of the United Federation of Teachers, told *The New York Times* the study failed to take adequate account of the smaller number of special education students served by Catholic schools, that issue was in fact addressed by Domanico.

State test data for 1999 indicate that including special education students in a regular student test population would change the study's three test measures by about 5 points. That potential adjustment is too small to account for the reported differences between Catholic and public schools at eighth grade, which are at least double that figure.

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Catholic Schools Serve Low-Income Children in LA

Los Angeles Catholic schools serving low-income and minority children have a much lower dropout rate (3 percent) than the city's public schools (22 percent) and send a greater proportion of their students to college, according to a new study from the San Francisco-based Pacific Research Institute.

Although public school advocates argue the public schools could achieve the same results if taxpayers would give them more money, the study reveals that Los Angeles public schools, on average, already spend nearly twice as much per pupil ($9,029) as do Catholic high schools ($5,000), and nearly three times as much as Catholic elementary schools (2,200).

Teacher union officials have attributed the high failure rate of low-income and minority students in public schools to the lack of credentialed teachers. But the low proportion of fully credentialed teachers at Catholic schools (56 percent) does not appear to prevent those schools from serving students better than they are served in the Los Angeles Unified School District, where 73 percent of the teachers are fully credentialed.

For the study, "Helping Hand: How Private Philanthropy and Catholic Schools Serve Low-Income Children in Los Angeles," a survey was conducted on some 13,000 Los Angeles families whose children attend Catholic schools, as well as Catholic school principals. In particular, the study examined children receiving scholarships from the Catholic Education Foundation, which provides a means for low-income children in Los Angeles to attend Catholic school.

Almost half of the scholarship recipients were Hispanic, according to the study, with a majority coming from minority families. Children receiving scholarships are more likely to have parents who are separated, have not completed high school, or have other children. Children from families in the lowest income brackets—earning less than $10,000 a year—were 57 percent more likely to receive a scholarship than those from families earning $30,000 or above.

"Children of all races and religious affiliations choose Catholic education over neighborhood public schools, which on average rank below district and state performance averages," said coauthors Thomas Dawson, fellow in education studies at the Institute, and Professor Eric Helland, of Claremont McKenna College. "Without the scholarships, these children would still be trapped in some of the worst schools in L.A. Unified."

The study examines the possible reasons for the success of the Catholic schools and attributes it to management practices at Catholic schools, including allowing principals to control staff hiring and firing.

"Los Angeles Catholic schools serving low-income and minority children have a much lower dropout rate (3 percent) than the city's public schools (22 percent) and send a greater proportion of their students to college . . ."

For more information...

WWW Thomas Dawson and Eric Helland's April 2001 study, "Helping Hand: How Private Philanthropy and Catholic Schools Serve Low-Income Children in Los Angeles," is available at the Pacific Research Institute's Web site at **http://www.pri.org** under the Center for School Reform.

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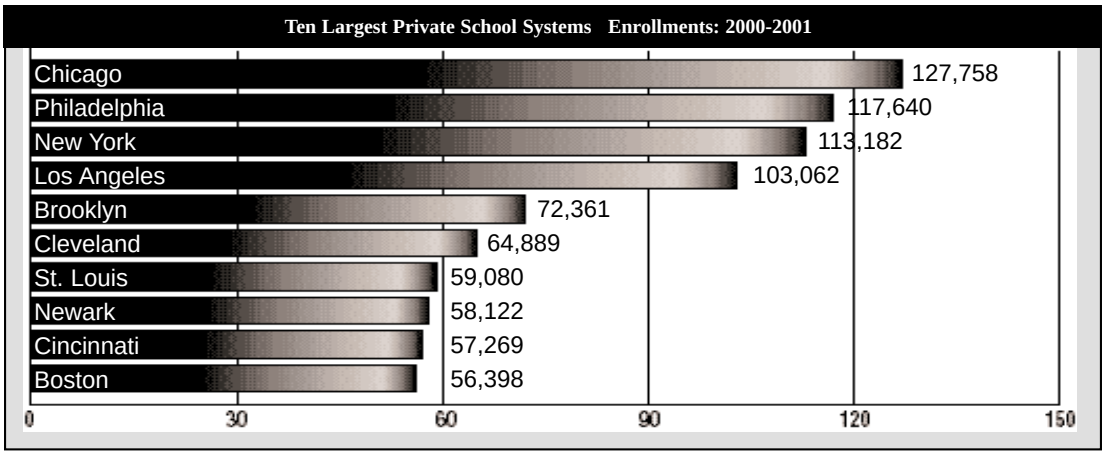
Just the Facts: Catholic Education in the United States

The U.S.'s 16,288 Catholic schools and 167,000 teachers represent the largest non-government school system in the country, serving 2.6 million students, or about 5 percent of the nation's K-12 population. But more than 3,000 Catholic grade schools and half of all Catholic high schools have closed since the 1960s, when the system's share of students was 12.6 percent.

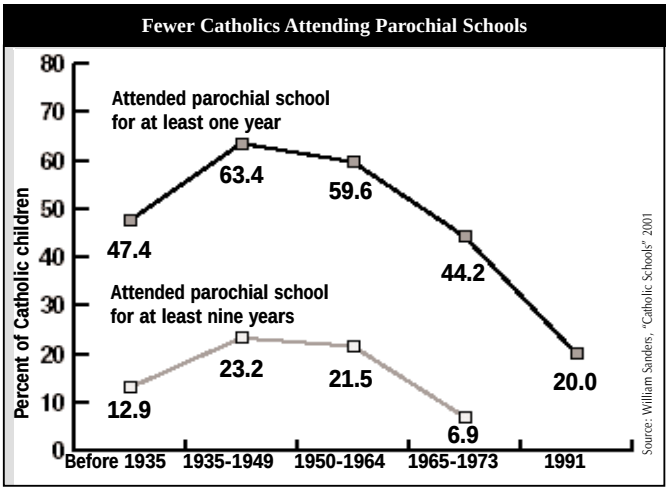
That's because Catholic parents have become less likely to send their children to Catholic schools for their education, explains DePaul University economics professor William Sander in his new book, *Catholic Schools: Private and Social Effects*. While almost 60 percent of Catholic children born in the 1950s would spend at least one year in a Catholic school, only 20 percent of Catholic children of grade school age attended Catholic schools in 1991.

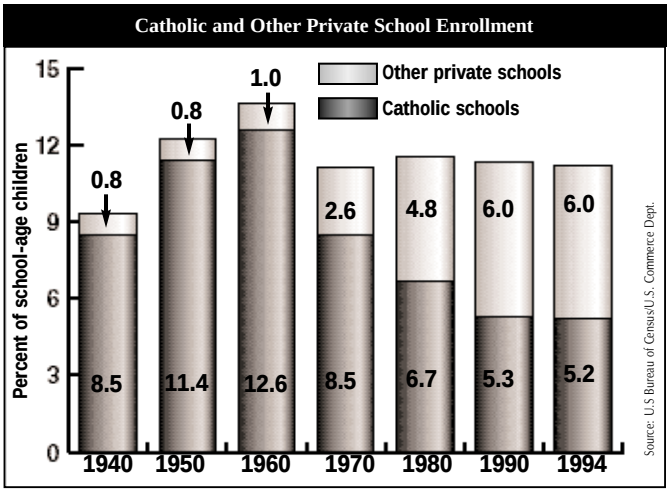


No Boost Yet from Vouchers

Parish schools of the Cleveland Archdiocese experienced a decline in enrollment in 2000-2001, which is notable given that the opponents of school vouchers have made much of the supposed "benefits" religious schools reap from publicly funded vouchers in that city.

Similarly, Catholic schools in the Milwaukee Archdiocese have seen enrollments declining since the 1998-1999 school year, even though almost 10,000 students now participate in the city's voucher program.





More Catholic Schools to Close

As part of Cardinal Edward M. Egan's efforts to control spending, the Roman Catholic Archdiocese of New York in February announced the closing of John A. Coleman High School in Hurley, the first school the archdiocese had closed since 1994.

In March, the archdiocese announced cutbacks that would likely lead to the closing of six low-enrollment elementary schools in Manhattan and surrounding counties. Although an anonymous benefactor subsequently promised $150 million to save the schools from closure, the funds have yet to be received.

Catholic schools in Philadelphia are facing a double whammy: Catholics joining the flight of families from the city, and charter schools draining the remaining pool of non-Catholic students looking for an alternative to the public schools. Enrollment in the city's Catholic elementary schools has dropped by 25,000 in the last 20 years, and at least 15 schools have closed or consolidated in the last 10 years, according to a recent review by *Philadelphia Daily News* writer Earni Young. Enrollment in the city's diocesan high schools for the 2000-2001 school year fell by 2,700 students compared to the previous year.

According to Young, two parish schools were closed in 2000 but no closings are planned this year. However, roughly 27 of the remaining 89 parish schools have enrollments below 250, which makes them prime candidates for closure next year if further enrollment erosion occurs. Nearly half of the students in the city's Catholic schools are non-Catholic, but these students are increasingly drawn to the city's new charter schools, which free parents from the Catholic schools' tuition bills.

Declining enrollments were cited as the reason for the March 5 closure announcement of three Roman Catholic elementary schools in Chicago, where enrollments had fallen below the viable level of 150 to 175 students. One of the schools, St. Simeon's, had 1,987 students in 1967 and was the largest Catholic elementary school in North America, according to a *Chicago Sun-Times* report. Earlier this year, four Chicago-area Catholic high schools announced they would close by the end of the school year.

Unable to attract a sufficient number of students, St. Thomas Aquinas High School in New Britain, Connecticut, closed its doors two years ago. In April, the city's last remaining Catholic high school, Mary Immaculate Academy, announced it will close in June for the same reason, according to *The Hartford Courant*.

Many suburban Catholic schools face a different problem: Not enough seats. A recent *Washington Post* story told of a Catholic family with three children who found all of the parochial schools filled to capacity when they searched within a 40-minute drive of their home in Fairfax County, Virginia. Although eight new elementary schools have been built in the area since 1990, demand still outstrips supply.

While Catholic schools in Chicago struggle to keep their doors open, schools in the suburban region of the Archdiocese of Chicago are in the midst of expansion projects totaling more than $55 million, according to a *Daily Herald* report earlier this year. Although enrollment in the Archdiocese is down overall, enrollment in suburban Catholic schools has been rising steadily.

Schools must raise the expansion funds from their own parishioners: $7 million for classroom and gym additions at St. Hubert in Hoffman Estates, $5.2 million for room additions at St. Theresa in Palatine, and $5 million for classrooms and a cafeteria at St. Mary in Buffalo Grove.

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Where School Reformers Go Wrong

Have we forgotten that the goal is to create a competitive education industry?

BY JOSEPH L. BAST

John Merrifield's *The School Choice Wars* (Lanham, MD: Scarecrow Press Inc., 2001) is my early favorite for Best School Reform Book of 2001. It is a courageous call for proponents of competition and parental choice to put behind them the frustrations and compromises of the 1990s and embrace once again the case for universal nondiscriminatory school choice.

Along the way, Merrifield criticizes a veritable Who's Who of the school choice movement, including Alan Bonsteel, John Chubb and Terry Moe, John Coons, Denis Doyle, Chester Finn, John Hood, Nina Shokraii Rees, Herbert Walberg, and many lesser lights (including this writer and the managing editor of this newspaper). Our sins include mischaracterizing pilot voucher programs as genuine experiments, endorsing plans that fail to create the minimum requirements for a competitive market, accusing teachers rather than their union leaders of opposing reform (my mistake), and wasting time and resources on charter schools, heavily regulated pilot voucher programs, tax credits, and private scholarships programs.

"Choice advocates talk about major reform, but nearly all of their proposals assume key elements of the status quo," Merrifield writes. "They celebrate every new option for anyone, even when the proposals would delay or derail more meaningful reforms."

Merrifield believes many of the current leaders of the movement for competition and choice in education have lost sight of the true goal—creating a competitive education industry—and are now as much a hindrance as a help to the reform cause. He sets forth the key conditions necessary for real competition in a series of seven "essential policies."

Effective advocates of a competitive education industry, according to Merrifield, should critique rather than praise reform proposals that exclude some children, fail to provide true funding equity, and burden participating schools with heavy regulations. They should aggressively tackle the pervasive myth that public school failure is a problem only of urban school systems and not of suburban ones as well. He calls for further efforts to divide the opposition by appealing to teachers and minorities, and documenting the futility of reforms that don't foster genuine competition.

While every school reformer will find valuable information and advice in this book, not all will agree with Merrifield's ideas on strategy. His criticism of incrementalist approaches—"implement a determinate outcome in stages if necessary, but do not seek it in stages"—seems to ignore the success of anti-market groups who pursue the incrementalist approach and the political realities facing reform advocates. Criticizing elected officials who advocate less than ideal school choice proposals, for example, seems to be a sure way to get disinvited from all but the most marginal school reform coalitions.

The claim that a free-market education system is most likely to be achieved in a single bound, rather than in small steps, is a familiar cliche coming from anti-voucher libertarians, but it is less commonly heard from voucher proponents such as Merrifield. The notion is weak regardless of who is making it.

"John Merrifield's *The School Choice Wars* is my early favorite for Best School Reform Book of 2001."

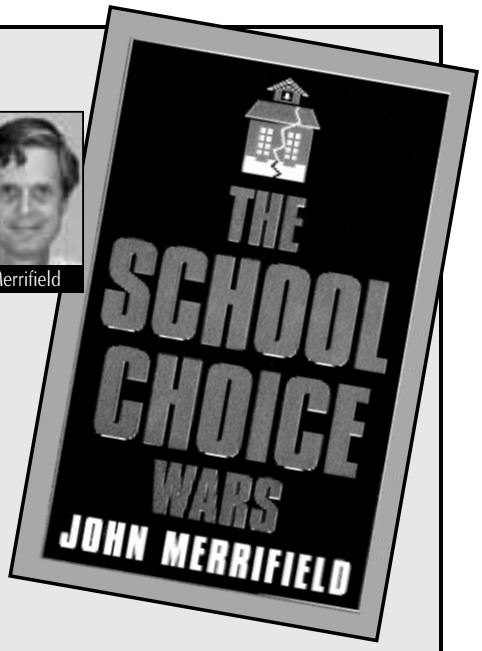
Merrifield makes a few assertions in this area but provides little evidence. At one point he claims as an example of incrementalism the failure of many formerly communist nations to make successful transitions from socialism to capitalism. But the considered opinion of such experts as Richard Pipes and Mancur Olson is the opposite. They found such countries failed because no one thought to build institutions that encourage the growth of capitalist values before ambitious privatization programs were launched.

The lesson for school reformers, then, is to keep pushing for programs—no matter how modest—that introduce parents, educators, elected officials, and journalists to the possibility of competition and choice in education.

The experience gained and institutions created by even limited choice initiatives can help overcome the ignorance and fear of markets that Merrifield correctly observes is at the root of public opposition to market-based reforms. Even school reformers committed to an incrementalist approach will benefit from Merrifield's instructions on the proper use of rhetoric and the importance of communicating the goal of creating a true competitive education industry.

Joseph L. Bast is president of The Heartland Institute and founding publisher of School Reform News. *He can be contacted by email at jbast@heartland.org.*

Merrifield



7 Essential Policies for a Competitive Education Industry

1 State and local public funding of K-12 instruction must be entirely child based so that parents' school choices exclusively decide each school's share of state and local government funding.

2 Each child's share of state and local K-12 instruction spending is the same, whether the child attends government-owned, private nonprofit, or private for-profit schools.

3 There must be no restrictions on private spending on K-12 instruction. Families must have the right to use private funds to help buy more instruction than the public funds will buy.

4 Child-based state and local public funding of K-12 must begin at the current K-12 funding level.

5 As required by existing federal law, federal K-12 funding must provide supplemental public support to special needs children on a case-by-case basis.

6 There must be a minimum enrollment to qualify an educator to receive public funding to educate children. This will deter fraud and extremist schools, and stop families from earning income by educating their own children.

7 There must be a way to verify the enrollment of each school.

Source: John Merrifield, The School Choice Wars *(Lanham, MD: Scarecrow Press Inc., 2001), pp. 193-194. To order your copy of The School Choice Wars, contact Scarecrow Press at 1-800-462-6420 or online at www.scarecroweducation.com*

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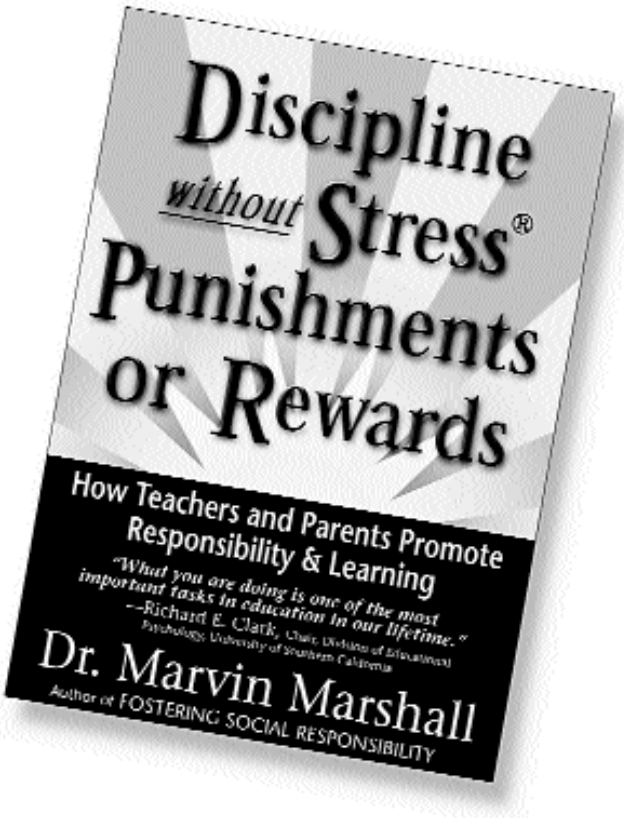
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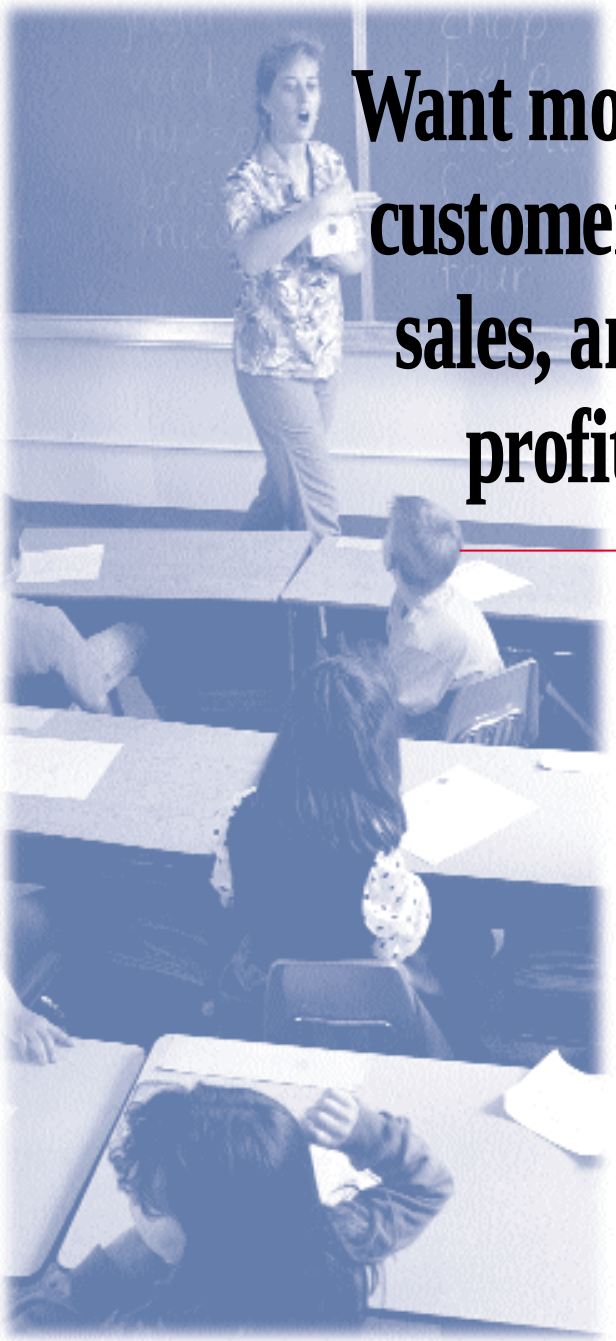

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